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LEGISLATIVE HISTORY

Public Law 11--82nd Congress

Chapter 11--1st Session

S. 548

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Export Controls. S. 548, the Export-Control Act of 1949, continues export-control authority until June 30, 1951, or such earlier date as Congress or the President may determine. Gives the authority to the President, but permits him to delegate it to such departments, agencies, or officials of the Government as he may deem appropriate. Provides that controls shall not be exercised on agricultural commodities during any period for which the supply is determined by USDA to be in excess of domestic requirements. Provides for consultation by the department, agency, or official determining which articles, materials, or supplies shall be controlled and the extent to which exports thereof shall be limited, with the several executive departments and individual agencies concerned with aspects of the domestic and foreign policies and operations having important bearing on exports. Requires that in authorizing exports full utilization of private competitive trade channels shall be encouraged insofar as practicable. Authorizes application of other standards or criteria as may be deemed necessary by the head of such department, agency, or official to carry out the policies of the act.

INDEX AND SUMMARY OF HISTORY OF S. 548

January 18, 1949	S. 548 was introduced by Senator Maybank and was referred to the Senate Committee on Banking and Currency. Print of the bill as introduced.
	Remarks of Senator Maybank.
	H. R. 1661 was introduced by Rep. Spence and was referred to the House Committee on Banking and Currency. Print of the bill as introduced. (Companion bill.)
January 28, 1949	Hearings: Senate, S. 548.
January 31, 1949	Hearings: House, H. R. 1661.
February 4, 1949	Senate Committee reported S. 548 with amendments. Senate Report 31. Print of the bill as reported.
	House Committee reported H. R. 1661 with amendments. House Report 18. Print of the bill as reported.
February 8, 1949	Senate debated and passed S. 548 as reported.
	One of the amendments, relating to agricultural commodities, was the addition of Sec. 3 (c). There was considerable discussion of export controls in connection with agricultural commodities.
February 10, 1949	The Rules Committee reported H. Res. 97 for the consideration of H. R. 1661. House Report 66.
February 17, 1949	House debated and passed S. 548 with amendments. Before passing this bill, a similar bill, H. R. 1661, was amended to make it identical with the Senate bill. Before passing the bill, a motion by Rep. Wolcott, Mich., was rejected, 139-222, to recommit the bill with instructions that it be reported back with an amendment extending the powers for only 1 year and including other modifications. Rep. Wolcott earlier submitted various amendments to the bill, which were rejected. An amendment by Rep. Brown, Ga., was agreed to prohibiting export controls on surplus agricultural commodities, including fats and oils, except under certain conditions (pp. 1415-6). This amendment was identical with the provisions inserted by the Senate recently.
February 21, 1949	Senate concurred in the House amendment (technical amendment not relating to this Department).
February 26, 1949	Approved. Public Law 11.

81ST CONGRESS
1ST SESSION

S. 548

IN THE SENATE OF THE UNITED STATES

JANUARY 18, 1949

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard

to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and fulfill its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, carriage, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such depart-

ments, agencies, or officials of the Government as he may deem appropriate.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department or agency making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be

punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department or agency exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include

the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

81ST CONGRESS
1ST SESSION

S. 548

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

By Mr. MAYBANK

JANUARY 18, 1949

Read twice and referred to the Committee on Banking and Currency

81ST CONGRESS
1ST SESSION

H. R. 1661

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard

to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and fulfill its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, carriage, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such de-

partments, agencies, or officials of the Government as he may deem appropriate.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department or agency making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished

by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department or agency exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

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EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

81ST CONGRESS
1ST SESSION

H. R. 1661

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

By Mr. SPENCE

JANUARY 18, 1949
Referred to the Committee on Banking and Currency

States District Court for the Territory of Hawaii;

S. 569. A bill for the relief of Anna Netty Gordzialkowska Konopka and her daughter Bernadette Marie Konopka; and

S. 570. A bill for the relief of Donald Francis Wierda; to the Committee on the Judiciary.

By Mr. GILLETTE:

S. 571. A bill to prohibit interstate common-carrier pipe lines from transporting commodities in which such carriers have any interest;

S. 572. A bill to divorce the business of producing, refining, and transporting of petroleum products from that of marketing petroleum products; and

S. 573. A bill to prohibit producers, refiners, and marketers of petroleum products from operating tankers and barges; to the Committee on the Judiciary.

By Mr. CAPEHART:

S. 574. A bill for the relief of Walter H. Berry; to the Committee on the Judiciary.

S. 575. A bill to authorize the construction of a new post office, courthouse, and customhouse building at Evansville, Ind.; to the Committee on Public Works.

By Mr. WATKINS:

S. 576. A bill to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah; to the Committee on Interior and Insular Affairs.

By Mr. McFARLAND:

S. 577. A bill to amend the Pay Readjustment Act of 1942, as amended; to the Committee on Armed Services.

S. 578. A bill to provide for service connection of disabilities aggravated by active military or naval service; to the Committee on Finance.

S. 579. A bill to incorporate the Retired Officers Association; to the Committee on the Judiciary.

By Mr. KILGORE:

S. 580. A bill for the relief of Miltiadis Dionysious Siadimas; and

S. 581. A bill for the relief of Sherman White; to the Committee on the Judiciary.

By Mr. THOMAS of Utah:

S. 582. A bill to authorize the sale of certain Indian lands situated in Duchesne and Randlett, Utah, and in and adjacent to Myton, Utah; to the Committee on Interior and Insular Affairs.

By Mr. MYERS:

S. 583. A bill conferring jurisdiction upon the United States District Court for the Eastern District of Pennsylvania to hear, determine, and render judgment upon the claims of the estate of Archangelo Straneri;

S. 584. A bill for the relief of Rudolf A. Y. Raff;

S. 585. A bill for the relief of Peter Drozd;

S. 586. A bill for the relief of G. Brinton Fagen;

S. 587. A bill for the relief of Sister Stefania Cuprys; and

S. 588. A bill to repeal section 404 (c) of the Nationality Act of 1940 and to provide that no person shall have lost his nationality thereunder; to the Committee on the Judiciary.

S. 589. A bill for the relief of Mrs. Mary Wadlow; and

S. 590. A bill to amend the act entitled "An act to provide for the recognition of the services of the civilian officials and employees, citizens of the United States, engaged in and about the construction of the Panama Canal," approved May 29, 1944; to the Committee on Interstate and Foreign Commerce.

(Mr. MAGNUSON (for himself and Mr. O'CONOR) introduced Senate bill 591, to provide for United States flag shipping participation in Government financed cargoes, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. McCARRAN:

S. 592. A bill for the relief of Edwin B. Anderson;

S. 593. A bill for the relief of certain postal employees; and

S. 594. A bill for the relief of John I. Malarin, former Army mail clerk at APO 932, a branch of the San Francisco, Calif., post office relative to a shortage in his fixed credit account; to the Committee on the Judiciary.

(Mr. McCARRAN also introduced Senate bill 595, relating to the internal security of the United States, which was referred to the Committee on the Judiciary, and appears under a separate heading.)

By Mr. McFARLAND (for himself and Mr. JOHNSON of Colorado):

S. 596. A bill to provide pensions for veterans of World War I and World War II based on non-service-connected disability and attained age; to the Committee on Finance.

By Mr. PEPPER (for himself and Mr. BRIDGES):

S. J. Res. 35. Joint resolution designating the week of February 14 in each year as National Heart Week; to the Committee on the Judiciary.

GUARANTEED ANNUAL WAGE FOR WORKERS IN INDUSTRIES HAVING GOVERNMENT CONTRACTS

Mr. LODGE. Mr. President, on behalf of myself and the senior Senator from Connecticut [Mr. MCMAHON], I send to the desk for appropriate reference a bill providing for a guaranteed annual wage for all workers in industries having Government contracts.

This bill would amend the Walsh-Healey Act so as to add the provision that in any contract made by the Federal Government for the manufacture or furnishing of materials, supplies, articles, and equipment in any amount exceeding $10,000 there be included a stipulation that the employee be employed on an annual basis.

The bill (S. 546) to require certain contractors with the Government to guarantee an annual wage for their employees, introduced by Mr. LODGE (for himself and Mr. MCMAHON), was read twice by its title, and referred to the Committee on Labor and Public Welfare.

Mr. LODGE. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD a statement descriptive of this proposal.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LODGE

We commonly speak of hours, wages, and working conditions as summing up the factors on which the well-being of the everyday citizen depends; and indeed it is true that if these are not right, our life cannot be right.

But hours, wages, and working conditions, while they take care of our day-to-day existence, do not take into account that need for security which is felt by all of us as we travel on life's uncertain voyage. No matter how adequate our hours, wages, and working conditions may be, we cannot be happy or successful or productive if we are constantly haunted by the worry as to where we'll be or how we'll be living by the end of the year.

Man wants to make his plans by the year. The education of children, the acquiring of a real home, the planning of recreation and vacation—all the things which give life meaning and make for permanence and dependability involve the ability to plan by the year.

In order to meet this need for security, government has developed old-age payments and unemployment insurance. For Federal workers there are pensions, retirement plans, and other security measures. Meritorious legislation to provide aid for medical purposes and for housing are proposed. These plans all fill real needs and are all right as far as they go. But it is assuredly far better to earn the money which comes from full employment rather than to look forward either to some slender pittance because regular employment has ceased or to depend on Government aid for services which, in our free society, could come from regular employment.

The real way to meet this need for security is for all industries which are able to do so to say to their employees: "We know that we want to hire you by the year. Therefore we are going to guarantee you your wages for a year. You can count on it." The employee who receives this assurance then knows where he stands. He can plan his life and that of his family; he can make commitments for the education of his children, for necessary dental or medical work, for payments on his house, and for the other things which raise his standard of living. Unless he receives a guarantee that his wages would be paid for a year he cannot make these commitments. Even though he might by the end of the year have earned as much money, the fact that he had had no assurance of it would have required him to live virtually a hand-to-mouth existence.

There are already companies in the United States which have followed this guaranteed wage policy with wonderful results. But it is not a policy which most firms can adopt without some sort of legal encouragement, because one firm cannot afford such a policy if his competitor refuses to do it also.

In order to give encouragement to industries to pay wages on a guaranteed annual basis we are introducing a bill which amends the so-called Walsh-Healey Act so as to provide that in any contract made by the Federal Government for the manufacture or furnishing of materials, supplies, etc., in any amount over $10,000 there be included a stipulation by the contractor that his employees be employed on an annual basis.

The Walsh-Healey Act already contains provisions for minimum wages, a 40-hour week, 8-hour day, safe and sanitary working conditions, and a ban on child or convict labor. To these stipulations our bill would add the guaranteed annual wage.

The bill consists of two parts. The first part, containing the heart of the bill, is modeled on language used in the Federal Social Security Act which has stood the test of more than 13 years' experience. The second part is based on existing provisions of the Walsh-Healey Act, and, for the sake of necessary flexibility, authorizes the President to make modifications so as to enable the Government under all conditions to receive the services which it might need. The bill also contains a provision for revision of the wage guarantees when this becomes necessary, due to increases in the cost of living.

This idea of a guaranteed annual wage is not only referred to and defined in two existing statutes—the Federal Social Security Act and the Fair Labor Standards Act; it is also endorsed by the leaders of our great labor organizations.

The sponsorship of this measure is bipartisan. If enacted into law, it will provide guaranteed annual wages for all who work for firms having Government contracts—surely a very large number of persons. It should set an example for other industries to follow and thus spread the guaranteed wage to all parts of the country. Due to the world situation, our Government is embarked on an immense purchasing program; surely none will deny it the right to prescribe conditions for conducting this pro-

gram which will promote better living and better citizenship. By avoiding the costs which unemployment and insecurity cause, this scheme will save money. It will certainly involve no cost to the taxpayer. In fact, the cost will not be in dollars; but in headwork and good planning.

This annual wage bill should also have many far-reaching results which it is now difficult to estimate. The greater sense of security which all these families will possess will lead to better living, better education, better medical care, and better community life generally. This will have incalculable effects on the buying power, economic habits and labor relations of the beneficiaries of this scheme.

This bill is in essence an attempt to induce our free system to yield all the benefits which it is capable of yielding. If the free system does not do all the good of which it is capable, increased governmental services are inevitable. In fact, this bill may well mark a parting of the ways: either we make the most of our present system and develop all its latent strength—or we can expect a succession of policies which will progressively sap its vigor and thus eventually make lower living standards for everyone.

Finally, this proposal will also have a real effect on the faith and enthusiasm which people have in the soundness of our country's institutions. The more completely people share in the blessings and benefits of our way of life the more they believe in it. The more people believe in our way of life, the richer and more productive it becomes. The measure which we propose should still further make of the United States a land where freemen can grow and flourish in ever-increasing numbers.

TEXT OF SECTION 1 OF THE WALSH-HEALEY ACT, FOLLOWED BY NEW SUBSECTION AS PROPOSED IN THE LODGE-M'MAHON AMENDMENT

(1) In any contract made and entered into by any executive department, independent establishment, or other agency or instrumentality of the United States, or by the District of Columbia, or by any corporation all the stock of which is beneficially owned by the United States (all the foregoing being hereinafter designated as agencies of the United States) for the manufacture or furnishing of materials, supplies, articles, and equipment in any amount exceeding $10,000, there shall be included the following representations and stipulations:

"(f) That the contractor has guaranteed in advance 30 hours of wages for each 40 calendar weeks (or more, with 1 weekly hour deducted for each added week guaranteed) in 12 months, to all the individuals in his employ in one or more distinct establishments, except that any such individual's guaranty may commence after a probationary period (included within 12 or less consecutive calendar weeks); in the event, however, that the cost-of-living index as established by the Bureau of Labor Statistics, Department of Labor, known as the Consumer's Price Index, should, at any time during the term of such guaranty, show a rise of 10 or more points by comparison with the index on the date upon which such guaranty became effective, appropriate modification of such guaranty may be made between the contractor and his employees: *Provided*, That whenever in his judgment inclusion in the proposal or contract of the representations or stipulations set forth in this subsection will seriously impair the conduct of Government business and will not serve the public interest, the President is authorized to modify or suspend any or all of the representations and stipulations contained in this subsection."

CONTINUATION OF LAW RELATING TO VOLUNTARY AGREEMENTS AND PLANS

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to continue through September 30, 1949, certain authority conferred on the President by section 2 of Public Law 395, Eightieth Congress, regarding voluntary agreements and plans, and I ask unanimous consent that an explanatory statement prepared by me of the bill may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and referred to the Committee on Banking and Currency, and, without objection, the statement presented by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 547) to continue through September 30, 1949, certain authority conferred on the President by section 2 of Public Law 395, Eightieth Congress, regarding voluntary agreements and plans, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. MAYBANK was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAYBANK OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO CONTINUE THROUGH SEPTEMBER 30, 1949, CERTAIN AUTHORITY CONFERRED ON THE PRESIDENT BY SECTION 2 OF PUBLIC LAW 395, EIGHTIETH CONGRESS, REGARDING VOLUNTARY AGREEMENTS AND PLANS

The purpose of the proposed legislation is the temporary extension, to September 30, 1949, of the authority of the President to approve voluntary agreements and plans under section 2 of Public Law 395, Eightieth Congress (Act of December 30, 1947; 61 Stat. 945). The present authority terminates on March 1, 1949, subject to a 6-month wind-up period of limited effectiveness for agreements then in effect. The proposed temporary extension through September 30, 1949 (with no wind-up period thereafter) will make it possible to keep the program going pending congressional consideration of more comprehensive stabilization proposals.

On the basis of its experience in carrying out the administration of the act, the Department of Commerce is of the opinion that the program has been successful, within the limitations inherent in any voluntary program, in overcoming some of the problems arising from shortages of goods and facilities. In so doing the program has contributed on a voluntary basis to meeting certain essential requirements of our domestic economy as a whole, and also to meeting the steel requirements of the armed forces and the Atomic Energy Commission, these military requirements being also covered by the mandatory-order provision of section 18 of the Selective Service Act of 1948 (Public Law 759, 80th Cong.).

An immediate interim extension of the present authority through September 30, 1949, is necessary in order to preserve the full benefits of the voluntary agreements in effect on March 1, 1949, and to permit entering into such new agreements as might provide substantial benefits before September 30, 1949, pending consideration of a general stabilization program. While these voluntary agreements in effect on March 1 could continue to provide limited benefits after that date, their full effectiveness and the realization of any benefits whatever from new agreements would be lost if the continuity of the program were interrupted or stopped.

CONTINUATION OF AUTHORITY FOR REGULATION OF EXPORTS

Mr. MAYBANK. Mr. President, I introduce for appropriate reference a bill to provide for continuation of authority for the regulation of exports, and I ask unanimous consent that an explanatory statement prepared by me may be printed in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred, and, without objection, the statement presented by the Senator from South Carolina will be printed in the RECORD.

The bill (S. 548) to provide for continuation of authority for the regulation of exports, and for other purposes, introduced by Mr. MAYBANK, was read twice by its title, and referred to the Committee on Banking and Currency.

The statement presented by Mr. MAYBANK is as follows:

STATEMENT BY SENATOR MAYBANK OF PURPOSE AND NEED FOR PROPOSED LEGISLATION TO PROVIDE FOR CONTINUATION OF AUTHORITY FOR THE REGULATION OF EXPORTS, AND FOR OTHER PURPOSES

The proposed bill would provide for continuance of existing export-control powers through June 30, 1951, subject to termination at an earlier date by the President or the Congress. The present law authorizing control over exports, section 3 of Public Law 395 of the Eightieth Congress, expires February 28, 1949.

Through export controls the Department of Commerce is able to limit the quantity of shipments abroad and thus lessen the inflationary impact of foreign demand. Of even greater importance at the present time are the measures which are being taken thereunder to channel critically needed commodities to those areas where they will be used to promote world recovery and also to control certain exports in the interest of national security. The extension of this law is clearly necessary and should be authorized as soon as possible for reasons of administrative continuity and so that there may be adequate notice to the trade community of the continuance of these controls.

Section 1 of the proposed bill would provide the factual justification for extending these powers and section 2 sets forth the policies which shall govern their exercise.

Under existing law the authority to issue purely enforcement regulations is implied from the general authority granted to issue all necessary rules and regulations. However, in the light of recent developments indicating the need for a broader and stronger enforcement program, it is considered desirable to obtain specific authority for undertaking all necessary enforcement measures. Such authority would be established by section 3. For the same reason provision is made in section 6 for necessary investigatory powers.

Section 4 (a) would provide for interdepartmental consultation as to specific items to be controlled and the extent of the control. Section 4 (b) would provide for consultation with representatives of the export trade concerning licensing criteria and related matters. Under existing law, consultation on this matter is entirely discretionary. These provisions describe and would require the continuation of current operating policies and at the same time permit the administrative flexibility which experience of several years has demonstrated to be essential.

Section 5 would continue existing penalties for violations except that the maximum prison penalty has been reduced from 2

years to 1, in order to permit the institution of prosecution by way of information rather than formal indictment and to that extent enable prosecution of violators of the law to be expedited. Moreover, in the few criminal cases that have thus far been prosecuted under the Export Control Act, penalties of much less than 1 year have been imposed.

In accordance with the policy for temporary legislation set forth in section 2 of the Administrative Procedure Act, section 7 would provide an exemption from all provisions of the Administrative Procedure Act except the public information requirement of section 3 of that act. Section 8 would continue the present reporting requirement, except that it provides for the submission of reports within 45 rather than within 30 days after each quarter for administrative convenience and so that the reports may contain more current information and statistical data.

Section 10 would provide that the export licensing of tin-plate scrap, now controlled by the Department of State, would be handled under this act. No changes are proposed, however, in the existing special arrangements with respect to the control of exports of helium, gold, munitions of war, or atomic energy materials.

Section 12 would establish June 30, 1951, as the termination date for this control activity. This section also provides expressly for earlier termination by the President or the Congress. Exercise of control over the exportation of specific articles, materials, or supplies would, of course, be adjusted by the procedure set out in section 4 (a) and in accordance with policy delcared in section 2.

AMENDMENT OF SOCIAL SECURITY ACT

Mr. WILEY. Mr. President, I introduce for appropriate reference a bill to amend the Social Security Act, as amended. It is identical with Senate bill 1403 of the Eightieth Congress.

The purpose of the bill is to double the present limitation on outside earnings of widows receiving social-security payments without depriving them of their survivor's insurance or the aid which they get for dependent children. At present the limitation is $14.99 per month on these outside earnings, and my proposal, in line with suggestions to me from the Social Security Board, would double this limitation to $30. This is obviously not a large sum to permit these folks to earn on their own initiative; it is clear, however, that the sum cannot be made too large so that, as the Social Security Board states, it would become unnecessary to give the individuals survivor's aid. The Board, therefore, recommended either $25 or $30 as a limitation, and I have, therefore, used the latter figure.

I am hoping for early action on this bill by the Senate Finance Committee and upon legislation in the entire field of social security.

The bill (S. 565) to amend the Social Security Act, as amended, introduced by Mr. WILEY, was read twice by its title, and referred to the Committee on Finance.

TRANSPORTATION OF GOODS IN AMERICAN SHIPS UNDER THE ECONOMIC RECOVERY PROGRAM

Mr. MAGNUSON. Mr. President, at the last session of Congress the Senate placed an amendment in the measure providing for the economic recovery program which provided that 50 percent of the goods, in bulk or otherwise, to be shipped to Europe under the program, be transported in American bottoms, the American merchant marine. The Director of the Economic Recovery Program, Mr. Paul Hoffman, announced approximately a month ago that the language in which the Senate and House made this mandatory was somewhat ambiguous, and that his directive on the matter should, therefore, be reviewed by his legal department, which was done. In line with that Mr. Hoffman announced that probably his organization would not have to follow that formula.

Several of us are very much interested in this matter, because of our interest in the future of the American merchant marine and the part it might play in economic recovery and world trade. We had a meeting this morning with Mr. Hoffman, attended by representatives of all the principal shipping interests, by representatives of the labor groups involved, and by representatives of both the House and the Senate. It was agreed to postpone the order until the Congress could make a determination as to just what it desired in regard to participation by the American merchant marine in our economic recovery program for Europe.

In order to make that clear, the chairman of the House Committee on Merchant Marine and Fisheries, Mr. BLAND, of Virginia, has introduced a measure in the House, and I now introduce a similar bill, making clear the congressional intent in this matter.

The bill (S. 591) to provide for United States flag shipping participation in Government-financed cargoes, introduced by Mr. MAGNUSON (for himself and Mr. O'CONOR), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me regarding the purpose of the bill, together with three editorials.

There being no objection, the statement and editorials were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON; INTRODUCTION OF MERCHANT MARINE POLICY BILL

On behalf of myself and the Senator from Maryland [Mr. O'CONOR] I am today sending a bill to the desk for appropriate reference which, if enacted, will establish a national policy with reference to transportation of cargoes financed by American funds—whether they be grants-in-aid, direct loans, or credits for the procurement of commodities in this country by other nations. The bill proposes that American-flag ships shall carry at least 50 percent of all Government-financed cargoes.

This provision applies to all Government agencies and departments. The only exception to this basic principle would occur when and if the United States Maritime Commission certifies to the agency or department concerned that United States flag ships are not available in sufficient number to do the job.

Most Members of this Senate, I am sure, realize the serious situation currently confronted by the United States merchant marine. In the last 17 months over 1,200 United States ships have gone into the inactive fleet. In truth, the American flag is rapidly disappearing from the seas. All of us know the vital role the merchant marine and the shore installations necessary to maintain it, played during World War II. In my judgment, it is absolutely essential to national security and to our national economy that the Congress promote maritime policies aimed at maintaining a minimum but adequate fleet of merchant vessels flying the American flag.

One step in this direction is to establish a national policy governing shipments of United States financed cargoes—a policy such as I am proposing in this bill.

For over 2 weeks in March of last year, the Senate debated problems in connection with the so-called Marshall plan. One of the items of deep concern to all of us was the proposal contained in the original draft for sale and charter of American ships to foreign nations. The senior Senators of Maine, Connecticut, Michigan, and Kentucky, and the junior Senator from California were among those instrumental in deleting this provision in the final draft of the bill. These Senators and others joined with me in insisting also that a provision be written into the act requiring the Administrator to move at least 50 percent of the commodities purchased in the United States for participating countries in American bottoms.

An amendment submitted by the junior Senator from California became section 111 (a) (2) of the act. That section reads:

"The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates."

All of us vitally interested in the problem thought this language and its legislative history sufficiently strong to clearly indicate to the Administrator congressional intent on the subject.

On December 1, 1948, however, the Administrator announced that after December 31, 1948, ECA would no longer consider itself bound by the 50 percent provision. Subsequently, the effective date of the Administrator's decision was deferred to January 31, 1949. I and other Senators have protested to the Administrator this change of policy.

I believe the Congress can avoid such difficulties in the future by establishing a national policy along the lines I am suggesting in the bill. Had such a policy existed at the time ECA legislation was under consideration, the executive departments would have tailored their recommendations in the light of principles clearly set forth by the Congress.

Within the next few days, I will propose to the Senate that a full-dress study of maritime problems be inaugurated by the Interstate and Foreign Commerce Committee. The bill I am introducing today is one facet of that study. I ask unanimous consent that an editorial from the Sea Farers' Log, from the Marine Digest, and from the Seattle Post-Intelligencer be incorporated as a part of my remarks.

[From the Seafarers Log of January 7, 1949]

"THE FACTS, MR. HOFFMAN

"In a letter to Senator STYLES BRIDGES, former chairman of the congressional watchdog committee on the Marshall plan, ECA Administrator Paul G. Hoffman tried to justify his infamous proposal to move all bulk Marshall plan cargoes in foreign vessels by a statement that simply does not fit the facts.

"He declared that the cost of shipping a ton of coal from the United States to France is sometimes as much as $4.50 less on a foreign ship than on an American ship. He strongly implies that this big differential was the rule rather than the exception, and he forgot to

note that it was an exception that was no longer happening on December 3 when he wrote the letter.

"The facts are these: The American rate for carrying coal from the east coast to France is $10.85 a ton. This rate is set by the Maritime Commission. On foreign ships the rate ranges from $8.50 a ton to about $9. This week, in an effort to get at the truth, a shipping official called three operators of foreign-flag vessels to inquire about the coal rate. Two of the operators quoted $8.50. The third wouldn't talk about any rate below $9 and seemed to prefer a higher one.

"Thus, the actual differential about which Hoffman has been bleating turns out to be no more than $2.35 a ton at the most and only $1.85 or less in some cases. And the story doesn't end there, because the differential is just about wiped out later so far as American taxpayers are concerned. Coal is not the only bulk cargo, but the coal rate continues to be the root of the controversy.

"Another facet of the Marshall plan shipping situation has been overlooked completely by Hoffman and his executive assistants. At least, they have not mentioned it in their public statements. Whether Hoffman knows it or not, foreign operators are getting away with a scheme so obvious that one can only conclude that Hoffman is a very gullible gent.

"It is no secret that representatives of French shipping interests recently told a member of the Maritime Commission that they deliberately depressed their rates in a maneuver to get a bigger slice of the melon. Later on, the Frenchmen continued, up would go the rates. The Americans would be hoodwinked.

"Shipping men of other nations participating in the Marshall plan are reported to have said substantially the same thing, although they said it less bluntly than the Frenchmen. Foreign rates already are rising as the foreign operators smack their lips in anticipation.

"Foreign operators haven't been worrying about making or losing money for the present period. If they lose money they expect to be reimbursed directly or indirectly through the Marshall plan. This would mean American subsidization of European merchant fleets with low labor standards. And if they get the extra cargoes and raise the rates, too, their chances of losing money are very slight. Yet Hoffman, in his letter to Bridges, wailed that to pay the American rates was to subsidize the American merchant marine, and copies of that letter were sent to many trade-unionists, Senators, and Congressmen who have taken up the cudgels in the SIU's fight to have the Hoffman order rescinded. In the early days of the battle, Hoffman and his assistants apparently believed that this letter was enough to fool everybody. Actually, it fooled nobody.

"What of the rate differential that remains? It is as devastating as Hoffman would have it sound? The answer is a resounding 'No,' after some of the elements in steamship financing are examined.

"If a minimum of half of the bulk cargoes are to be carried under the American flag as the law now provides, despite Hoffman's peculiar interpretation, they will go for the most part in Libertys under bare-boat charter from the Maritime Commission.

"When a company charters a Liberty from the Commission, it pays $7,500 a month in rent. If 150 Libertys should fail to operate because of the Hoffman order, it would mean a dead loss in revenue to the Government of $1,125,000 a month. The charter hire for Victory ships is $10,000 a month, and if any Victory should fail to operate because of the order the loss of revenue would be correspondingly greater.

"Maritime Commission spokesmen point out that the money from chartering a ship is almost entirely profit to the Government. The loss to the Government is even greater, however, for a ship in the boneyard costs the Commission about $10,000 a year to maintain.

"Then there is the matter of taxes. If a company charters a Liberty, the first 10 percent in gross profit on the capital invested in the operation of that ship is subject to normal corporate income taxes. When the profits go higher, the taxes spiral. After the 10 percent has been taxed separately, the Government divides additional gross profits by the number of days the company actually operated the ship.

"The company is then taxed 50 percent of the first $100-a-day profit, 75 percent of profit between $100 and $300 a day, and 90 percent of any profit above $300 a day. The steamship companies still pay substantial dividends while the Government gets millions and millions in taxes.

"In short, if the Maritime Commission ships are in the boneyard, the Government loses: (1) Millions of dollars in charter hire; (2) millions of dollars in maintenance charges; (3) millions of dollars in corporate taxes; (4) millions of dollars in unemployment benefits paid to seamen and others in the maritime industry.

"Hoffman maintains that if all the bulk cargoes go on foreign-flag ships this country will be able to ship more goods to Europe. This is a dubious argument at best, since shipping costs are only one item in the Marshall plan.

"However, he might better insist that 60 or 70 or even 100 percent of the bulk cargoes go in American ships, and he might ask that the extra taxes collected by the Government from the shipping industry be appropriated to purchase the goods that the people of the war-ravaged nations of Europe must have, despite chiseling in shipping and other matters by some of their businessmen.

"The SIU will carry on its fight to have the Hoffman proposal defeated. This battle is far from over, but each day we gain new allies in the labor movement and Congress. The SIU never has lost a beef and will not lose this one."

[From the Marine Digest]

"ECA RULING SERIOUS BLOW TO UNITED STATES SHIPS

"A newly disclosed ruling by Economic Cooperation Administrator Paul G. Hoffman to stop giving a 50–50 share of Marshall plan 'bulk' cargoes to American ships has resulted in a major Government controversy in Washington, D. C.

"In another development on Capitol Hill this week the foreign-aid program came under fire with charges that a 'few giant companies' get the lion's share of exports, while small firms 'go hungry' for freight shipped abroad.

"RULING 'FANTASTIC'

"Maritime Commissioner Grenville Meller described the ruling of Hoffman as 'fantastic' and summoned his fellow Commissioners to a special session to consider the move order to go into effect January 1. Hoffman said he based his action on the ground that the use of higher-cost American shipping for transportation of grain and coal is cutting into funds meant for European recovery.

"Coal shipments to France, he said, cost $4.50 a ton more in American ships than in foreign bottoms. The decision means that no United States shipping will be used to transport American coal, grain, and petroleum products.

"The Foreign Aid Act, passed last April, directed Hoffman to see that American-flag vessels carry at least 50 percent of all United States cargoes financed by ECA, but it added that Hoffman should do so 'as far as practicable,' and to the extent that such vessels are available at market rates—that is, at competitive world freight rates.

"In discussing the situation, Hoffman said:

" 'Any ruling by me that the 50–50 provision should be observed when rates are higher for American ships, would be a subsidy to American shipping out of dollar appropriations for European recovery.'

"LION'S SHARE

"The charge that a few giant companies get the lion's share of exports came from Representative Ploeser, Republican, of Missouri, chairman of the House Small Business Committee. Ploeser said that the European-aid program is injuring small United States firms by reducing the supply of strategic and critically short materials in this country. Citing the August report of ECA, on cotton exports, Ploeser said one firm, Anderson, Clayton & Co., and its subsidiaries, received 71.2 percent of August cotton procurement authorizations under the ECA program. Will Clayton, former Assistant Secretary of State, has a large interest in the firm. During the same month, 296 firms obtained all the foreign-aid business of ECA."

[From the Marine Digest]

"A SUGGESTION FOR MR. HOFFMAN

"What is the matter with ECA Administrator Paul Hoffman?

"Instead of busying himself with cutting down the portion of bulk cargo carried in United States bottoms under the Marshall plan, he would be better occupied with making sure that the cargo is put to its proper use in the countries to which it goes.

"While Mr. Hoffman is busying himself with saving a few dollars at the expense of the United States merchant marine, which is justly entitled to 50 percent of the trade, we learn that Great Britain, Belgium, and Holland have resold to American business nearly 20,000 tons of aluminum and lead scrap they bought with Marshall plan dollars.

"Are we to believe that this is a sole and solitary instance or are there further similar disclosures to follow?

"If we were ECA Administrator Paul Hoffman, we would spend more future time checking on the proper use of Marshall plan dollars instead of figuring out a pinch-penny program which may well wreck our already dwindling United States merchant marine.

"Congress issued a direct mandate that no less than half of ECA's cargo should be carried in American ships and it is not within Mr. Hoffman's province to decide otherwise, without the consent of Congress.

"The question, as United States Maritime Commissioner Mellon has already noted, is not only one of getting the lowest possible rates for ECA bulk cargoes, but of preserving the American merchant marine."

[From the Seattle (Wash.) Post-Intelligencer of July 19, 1948]

"OUR MARITIME DECLINE

"A striking example of the manner in which the American merchant marine is being permitted to decline, just as it did after World War I, is provided by the experience of a pioneer Pacific Northwest shipping company.

"The company—Pope & Talbot, which has been doing business in Puget Sound for just 2 years short of a century—recently paid the Maritime Commission $5,000,000 for four C–3 vessels to operate a freight and passenger service to the east coast of South America.

"To be able to compete with foreign lines—which, incidentally, are using American-built ships obtained from the Maritime Commission—the company must have a subsidy to compensate it for the difference between its high operating costs and the low costs of its competitors.

"The company therefore applied to the Maritime Commission for a subsidy on exactly the same terms as one now being paid to

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EXPORT CONTROL ACT OF 1949

February 4, 1949, Ordered to be printed

Mr. Maybank, from the Committee on Banking and Currency, submitted the following

REPORT

(To accompany S. 548)

The Committee on Banking and Currency to which was referred the bill (S. 548) to provide for continuation of authority for the regulation of exports having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

LEGISLATIVE BACKGROUND

Section 6 of the act of July 2, 1940 (54 Stat. 714; 50 U. S. C. App. 701) authorized the President to prohibit or curtail the export of military equipment or munitions and related items, and imposed penalties for violations. The geographic scope of this section was clarified by the act of May 28, 1941 (55 Stat. 206; 50 U. S. C. App. 702). The act of June 30, 1942 (56 Stat. 463) broadened the power to cover "any articles, technical data, materials or supplies." An expiration date of June 30, 1944, was provided, subject to earlier termination by Congress or the President.

The section was extended to June 30, 1945, by the act of July 1, 1944 (56 Stat. 671), to June 30, 1946, by the act of May 23, 1946 (60 Stat. 215), and to June 30, 1947, by the act of June 30, 1946 (59 Stat. 270). It was extended to July 15, 1947, by the joint resolution of June 30, 1947 (61 Stat. 214).

Section 5 of the Second Decontrol Act of 1947 (P. L. 188, 80th Cong., 61 Stat. 321) extended the powers to February 29, 1948, and section 3 of the joint resolution of December 30, 1947 (P. L. 395, 80th Cong., 61 Stat. 946) extended these powers to February 28, 1949, and authorized the use of price criteria as a factor in export licensing.

JUSTIFICATION FOR RENEWAL

S. 548 would provide for continuance of the same powers through June 30, 1951. The policies which govern the administration of such

controls and the purposes to be accomplished are specifically set forth in section 2. Generally speaking, they are to protect the domestic economy by limiting exports of scarce materials, and to channel exports to countries where need is greatest and where our foreign-policy and national security interests would be best served.

The determination of what commodities shall be controlled and the fixing of export quotas have been delegated by the President to the Secretary of Commerce, but the decisions on such matters are made only after extensive review by an interagency committee on which all interested departments are represented.

The committee felt that the Secretary of Agriculture should, because of his general responsibilities in the field of food and agriculture, be given final responsibility for determining the total amount of agricultural commodities, including fats and oils, which are in excess of our own needs and which could, accordingly, be authorized for export. It was also felt that the Secretary of Agriculture would be in the best position to act quickly on such matters. On the other hand, it must be recognized that there may be considerations of foreign policy or national security which require restricting exports of such commodities to certain destinations or end uses. To carry out this intent, the committee recommend the following new subsection be added as (c) at end of section 3 of S. 548:

> The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

Export controls were retained after the war to reduce the inflationary effect of abnormal foreign demands upon our supplies. Shortages were widespread, and unrestricted exports would have seriously aggravated the situation. We are still faced with shortages in important commodities, mainly steel, the nonferrous metals, fibers, meats, fertilizers, certain chemicals and certain building materials, although the domestic and world-supply situation has improved since the end of the war, particularly during the past year—the first year of the European recovery program. This has been reflected in a substantial reduction in the number of commodities subject to individual export licensing for all destinations. Lumber, poles, plywood, and gypsum board and lath were decontrolled at the end of 1948, as were some chemicals and drugs, including soda ash, caustic soda, and streptomycin. There should be continued improvement along these lines, but we must recognize that domestic shortages may become worse and these controls should be available to meet such situations. At the end of the report, there is included a summary statement giving the highlights of the supply situation of the commodities now under export control.

A significant development in the progressive elimination of controls over commodities formerly in short supply has been the establishment by the Department of Commerce of open-end quotas. Where the domestic supply situation has not improved sufficiently to permit complete decontrol, it is nevertheless frequently possible to approve licenses without quota restriction against qualified applications. This practice permits "advance notice" to the Government of intended

shipments, without restricting the foreign trade community in the carrying out of normal export transactions.

A number of witnesses before the committee urged a shorter extension of only 16 months, not because they questioned the necessity for the longer extension, but only in order to provide for an annual review thereof by the Congress. Such a review is not precluded in this bill; rather, specific provision is made for quarterly reports to the Congress of operations thereunder and for termination of the controls at any time by simple concurrent resolution.

The committee was impressed with the testimony presented by the Secretary of Commerce, the Under Secretary of Agriculture, and other Government witnesses clearly indicating that these controls will be needed for at least 2 years to come. In the judgment of the committee, the danger from perhaps a bit too much control on exports is not to be compared with the risk to the domestic economy or our national security of an unpreventable export drain on even a single important commodity. The continuance of the present method of flexible controls is an assurance that whatever develops abroad or if new shortages occur at home, we will be able to prevent their aggravation through undue exports. In the present unsettled state of world affairs, such protection is essential.

FOREIGN POLICY AND NATIONAL SECURITY IMPLICATIONS

It was demonstrated by Government witnesses and concurred in by trade testimony that there is increasing need for continued flexible export controls from the viewpoint of the national security and our foreign policy. The committee received a statement from the State Department to that effect, and the Secretary of Commerce summarized this aspect of export controls as follows:

> The responsibilities assumed by the United States in enacting the Foreign Assistance Act of 1948 have only emphasized the importance of export controls. For some time now, it has been our general practice to fix individual country quotas upon the basis of relative need.
>
> Moreover, since March 1, 1948, we have had under individual licensing control shipments of practically all commodities to all European and certain related destinations. This enables us to keep United States exports to Europe within ECA-approved programs. It is also being used to give a priority, in effect, to the requirements of the participating countries over those of other European countries. This is in furtherance of section 112 (g) of the Foreign Assistance Act which provides, generally, that no shipment of a material to a nonparticipating country in Europe may be licensed until the requirements of the participating countries are being adequately met.
>
> Equally important is the close scrutiny which is thus made possible over shipments of industrial materials which may have direct or indirect military significance. In the light of the growing concern of democratic nations over the policies of the Eastern European nations, it is quite clear that our national security requires the exercise of such controls to complement export controls over arms, ammunition and implements of war which are administered by the Munitions Control Board and the State Department.

SMALL BUSINESS

The committee was particularly concerned and specifically inquired of both the Government and trade witnesses as to the effect of the export control program upon small business. The committee noted with approval that the Department of Commerce order providing for the establishment of commodity advisory panels and committees from

the trade for export control purposes specifically provides that the Department will be governed by the principles announced in Senate Concurrent Resolution 14 (80th Cong.) regarding small business. In addition, it should be noted that specific provision is made in this bill (sec. 4 (b)) that in granting licenses for export consideration shall be given to the interests of small and merchant exporters.

The Investigations Subcommittee of the Senate Committee on Expenditures in the Executive Departments, in its interim report based upon its study, during September 1948, of the administration of export controls (80th Cong., 2d sess., Rept. No. 1775, pt. 2, p. 20), undertaken in conjunction with the Special Committee to Study the Problems of Small Business, stated:

> It is the opinion of this committee that the Office of International Trade should be commended for setting up commodity export advisory panels in April of this year. These panels afford a method by which the Office of International Trade may consult with and secure the active cooperation of various segments of the export trade for the purpose of strengthening the export control program. Although the inauguration of this policy did not result from the committee's investigation it is felt that this matter should be discussed in this report. Each panel as now set up, represents a cross section of the export trade engaged in exporting a particular commodity. As a result of the work of these panels many exporters have learned at first hand the problems in licensing limited quantities of scarce commodities and the Office of International Trade has been able to secure the benefit of trade consultation in arriving at export control policies. This policy of trade consultation should be continued and if possible should be expanded in an effort to further strengthen the export control program.

Testimony was presented to the committee to the general effect that fully half of the merchant exporters, particularly those established since the end of the war, would fall in the category of small business. In numbers, moreover, merchant exporters comprise by far the majority of persons engaged in the export trade. It was further pointed out to the committee that to the extent that small-business men were having difficulty in obtaining a larger share of the export business, this was due chiefly to present day abnormal conditions in foreign trade. The committee was furnished with information indicating the distribution of licenses in a number of commodities among small business, merchant exporters, and established and new exporters, and was impressed with the fact that by and large a fair distribution had been achieved.

SECTION BY SECTION ANALYSIS OF BILL

The bill, in general, makes no substantive changes in the present law. The existing flexible powers are preserved with respect to the controlling of commodities, the licensing of specific exportations, and the application of price, destination, end-use, and other pertinent licensing standards and criteria necessary to carry out the purposes of the act. Because of the complications that would be involved in further amending a law that had already been amended several times, it was deemed preferable to restate in one bill all existing powers, together with the new enforcement authority which is provided by this bill. It was also deemed necessary to restate the governing policies in the light of the current domestic and world situation.

Experience makes it clear that this system of flexible controls must be retained. As Secretary Sawyer testified before this committee, "supply-demand situations at the present time are subject to fluctu-

ation, and we must be able to cope with any development in this respect which might adversely affect our domestic economy. From the viewpoint of the national security and our foreign policy, moreover, there is an increasing need for continuance of export controls." At the same time, it is the considered judgment of this committee that the presently applied standards and policies which are restated in sections 2 and 4 of the bill will adequately guide and direct the course of administrative action and protect the public and trade interests.

Worthy of underscoring in this connection are the directives of sections 4 (a) and (b) of the bill. Section 4 (a) provides for interdepartmental consultation as to specific items to be controlled and the extent of such control. Section 4 (b) would require consultation with representatives of the export trade concerning the manner and criteria for determining which exporters shall receive licenses. Under existing law, consultation on this matter is entirely discretionary. In addition, to carry out the policies of the act—antiinflation, foreign policy, and national security—it is necessary to consider other factors in choosing between license applications. These include such matters as the country of destination, the end-use or the consignee, and price. Also, standards must be established to make sure that licenses are actually used by the licensee. These include such requirements as evidence of the existence of export orders or contracts, and evidence of availability of the goods for export. These are all provided for in the last sentence of section 4 (b).

The principal additions to the present law that are effected by S. 548 are the provisions which are designed to implement enforcement of export controls. The present enforcement regulations stem from the general authority to issue all necessary rules and regulations. The interim report of the investigations subcommittee, already cited, pointed out the necessity for an augmented foreign and domestic compliance program. The President's message to the Congress emphasized the need for strong enforcement measures. The Secretary of Commerce made a like recommendation to this committee. In order to give effect to these recommendations, with which this committee concurs, specific authority for undertaking all necessary enforcement measures is provided in the bill. These are contained particularly in sections 3 and 6.

Section 6 of the bill furnishes the usual administrative powers of investigation, subpena, and the authority to require testimony under oath. Such powers are lacking in the present law. They are required for the prevention and discovery of such abuses as the submission of false information to induce the issuance of licenses, trafficking in licenses, and fraudulent shipments of unlicensed commodities, and, as well, of such other abuses as the transshipment and diversion of scarce and strategic commodities, to unauthorized destinations, for unsanctioned uses. Ample safeguards against administrative misuse of these enforcement powers are provided by the requirement that they be utilized solely "To the extent necessary or appropriate to the enforcement of this act * * *;" by the interposition of the United States district courts in any proposed enforcement of a subpena; by the inclusion of the standard immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), as an adequate protection against criminal prosecution to any indviduduals that

may be required to give self-incriminatory testimony; and by the prohibition against disclosure of confidential information furnished. These safeguards will in the long run impart added effectiveness to investigations of violations, and to administrative proceedings for the denial of licensing privileges for violations, which are contemplated by section 6 of the bill. Authority for denial of licensing privileges has always been inherent in the power to prohibit or curtail exportations.

Additional powers, solely designed for enforcement, are included in section 3 (a). These are intended to make clear the existence of enforcement authority to obtain, by regulation or otherwise, the aid and cooperation of persons connected with the "financing, transporting, and other servicing of exports," in preventing and uncovering export control violations here and abroad. No general regulatory power over banks or other persons involved in servicing exports is intended. The authority given is limited to the purposes of this act, and regulations can be promulgated thereunder only for enforcement purposes. For example, banks may have information which unscrupulous exporters might try to conceal or misrepresent in attempting to obtain export licenses. Under this authority, regulations could be promulgated to require the reporting of such information, and in other ways prevent the use of banks in carrying out illegal exports. In accordance with the recommendations of the Investigations Subcommittee of the Senate Committee on Expenditures in the Executive Departments, referred to above, this committee is informed that the Office of International Trade is undertaking the establishment of a program of voluntary cooperation with persons engaged in performthe functions of financing and other servicing of exports, to obtain their assistance in the enforcement of export controls. Further following the recommendations of the subcommittee, the promulgation of regulations under this authority will be made dependent upon the extent to which effective voluntary cooperation can be obtained within a reasonable period of time.

Section 5 preserves the criminal sanctions of the present law, but reduces the possible length of sentence from 2 years to 1 year. This would expedite prosecution of violators by allowing an information to be filed with a United States district court (a simplified criminal procedure) rather than upon indictment by a grand jury.

There is continued a limited exemption from the Administrative Procedure Act. By section 7, provision is made that section 3 alone (the public information requirement) of the Administrative Procedure Act shall be applicable to the export control program in view of the temporary character of this legislation and its intimate relation to foreign policy and national security. This is in accord with the policy expressed in section 2 of the Administrative Procedure Act itself. Other temporary regulatory activities authorized since that act have been granted comparable exemptions. Examples of such are contained in the Sugar Control Extension Act (50 U. S. C. App. 981–985); Housing and Rent Act of 1947 (50 U. S. C., App. 1881–1884, 1891–1902); Veterans Emergency Housing Program (50 U. S. C. 1821–1833); War Housing Insurance Act (12 U. S. C. 1738, 1739, 1743, 1744). The essential safeguards of consultation with the trade in promulgating regulations, and of an opportunity to be heard on appeal from hardship, are obtained through the aforementioned provisions of the

bill (4b) and existing agency procedures for review and appeals from licensing and compliance actions.

Section 8 of the bill preserves the present statutory requirement of reports to Congress by the agency administering export controls, but merely changes the time for submission of such reports to within 45 days rather than within 30 days after each quarter. The modification is made for administrative convenience and to allow inclusion of more current information and statistical data.

Section 10 has the effect of transferring the export licensing authority on tin-plate scrap, now in the Department of State, to the agency which would administer this bill. For some time past, the Department of Commerce, which, under the present export control law, licenses other kinds of tin plate, has been handling the licensing of tin-plate scrap under an administrative arrangement with the State Department. It should be observed, however, that the bill makes no change whatever in the present laws concerning the control of exports of narcotics, helium, gold, munitions of war, or atomic energy materials.

TECHNICAL AMENDMENTS

1. In section 2, strike out "fulfill", and insert in lieu thereof, "to aid in fulfilling".
2. In section 3 (a), strike out "carriage", and insert in lieu thereof, "transporting".
3. In section 4 (a), immediately following the word "department", strike out "or" and insert a comma; and following the word "agency", insert ", or official".
4. In last sentence of section 4 (b), immediately following the word "agency" insert ", or official".
5. In second sentence of section 6 (a), immediately following the word "court" where that word first appears, insert "of the United States".
6. In first line of section 6 (c), immediately following the word "department", strike out "or" and insert a comma; and following the word "agency" in same line, insert ", or official".
7. In section 8, immediately following the word "agency", insert ", or official".
8. In second sentence of section 11, immediately following the word "delegations", insert "rules".

MAJOR COMMODITIES UNDER EXPORT CONTROL FOR SUPPLY REASONS

Nonferrous metals

The nonferrous metals, copper, zinc, lead, tin, and aluminum, currently offer the most serious supply problems to the United States. The world-wide scarcity, the immediate needs of the strategic stockpile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands indicate that the shortage of nonferrous metals will not be overcome in the near future.

The United States has become increasingly dependent on foreign sources to meet a large portion of its nonferrous metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on im-

ports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States. Nonferrous mining operations in the Western Hemisphere are allocated as much materials as we can spare which are necessary for their maintenance, repair, and development.

The increasing pressure on nonferrous metal supplies during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet, and strip were added to the Positive List in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports. Quotas for other nonferrous metals were also reduced during the year.

Steel

Because of the continuing steel shortages, virtually all steel products are under export control, a significant change from the situation in 1947, when less than half of the steel tonnage exported was under control. Shipments abroad hit a postwar peak in the second quarter of 1947, when they reached an annual rate of 6.9 million tons or 10.7 percent of the supply. For the year 1947 as a whole, exports totaled 6.5 million tons or 10.3 percent of the supply. In each quarter of 1948, the downward trend has continued. In the first quarter, exports were at an annual rate of 5.4 million tons, or 8.3 percent of the supply; in the second quarter, 4.3 million tons, or 6.7 percent of supply; in the third quarter, the annual rate of exports was down to less than 3.7 million tons; and by the fourth quarter, the annual rate of exports was 3.3 million tons, or 4.8 percent of the supply. For purposes of comparison, it may be noted that in the immediate prewar period, exports accounted for 7.6 percent of the supply.

The sharp increases in steel production abroad in 1948 contributed importantly to the reduction of foreign demand upon the United States. This is particularly true of the European recovery program countries where most of the production increase was concentrated, and which before the war required little steel from the United States. For the most part, increased output abroad was used to satisfy indigenous needs, but a part was also used to fill demands in other countries.

An increased share of the steel exported from the United States in 1948 was destined for special projects operations and activities abroad of such high importance to the United States as to merit special attention to their requirements for steel and other scarce materials. Roughly one-fourth of the total steel quotas were earmarked for these projects, most of which are owned or controlled by American interests. The bulk of the steel moving under special project license was used for petroleum operations abroad, in Venezuela and other countries of Latin America, and in the Middle and Far East. Smaller quantities were licensed for a number of mining operations engaged in the production of strategic and critical materials needed in the United States. Practically all of the casing and oil line pipe and large portions of the unlined storage tanks, seamless black pipe, structural shapes, and reinforcing bars which were permitted for export were needed to maintain and expand these special project activities abroad.

Machinery and equipment

The major machinery items whose exports are controlled in order to protect the domestic supply are railway freight cars and parts. To conserve steel and insure an increased domestic freight car park, freight cars were placed on the positive list on July 1, 1947. Production has been steadily increasing since the beginning of 1947; but the total of cars in operation has not increased appreciably because of the large number of retirements. Freight car parts and air brake equipment were also added to the positive list in February 1948.

While some commodities in the machinery category are still in tight supply, the producers themselves have limited exports without Government controls. Production of motor vehicles, for example, is still short of demand, but exports in 1948, in the absence of controls, represented a little over 6 percent of production, compared with 7 percent in 1947 and 8 percent prewar. The situation with respect to farm machinery and tractors is essentially the same.

(NOTE.—While not under control to other destinations, shipments of all machinery and transportation equipment to Europe must be licensed.)

Fertilizers

Fertilizers are composed of three types of primary materials, nitrogenous, phosphatic, and potassic. There is a world shortage of fertilizer material which is particularly serious in the case of the nitrogenous. Nitrogenous fertilizers are subject to strict export controls to all destinations.

Current United States supplies of phosphatic fertilizers are adequate to permit free exports without adverse effect, so they are no longer on the Positive List.

Prewar Germany was the world's major supplier of potash. Approximately 60 percent of Germany's resources are located in the Soviet zone. Potash supplies for western Europe now come mainly from France, Spain, and Palestine, and some from Russia. Shipments of potash from the United States to Western Hemisphere destinations and the Philippines are not subject to export licensing, but exports to all other areas are tightly controlled.

Textiles

Export controls over textiles are limited to fibers not produced in the United States—jute, manila, and sisal—and to their products, including binder and baler twine. Since output of raw cotton and cotton goods is ample to meet all domestic demands, and to provide a substantial surplus for export, these products are free of Positive List control. Rayon and other synthetics are exempt from control for the same basic reason. In the case of wool, where the United States is dependent upon imports to meet a major part of its needs, controls are likewise unnecessary because of the general adequancy of world supply and because of the traditionally low level of export demand.

Building materials

Few building materials normally enter the export market to an appreciable extent. Controls, therefore, have been exercised on a selective basis, and materials have been removed from export control as rapidly as permitted by the underlying supply-demand situation. At the present time only a few building materials items remain under

export control. These are the items presently in shortest supply, such as water closet sets, metal window and door frames, cast-iron soil pipe, iron and steel conduit and woven wire screen cloth. Exports of prefabricated houses also are subject to individual licensing. Continued selective control is essential in this field in order to prevent excessive drains on the domestic supply which might impede needed construction.

Coal

The coal situation improved materially in 1948, both in the United States and abroad. Increased production in Western Europe, as well as the scarcity of dollars, has eased the pressure of demand upon the United States, and domestic production has been adequate to supply both domestic needs and reduced foreign requirements.

The decline in foreign requirements, coupled with continued high levels of production and rising stocks, have permitted a relaxation of export restrictions. Since September 1948, coal has been under open-end quota, and applications have been licensed freely. Controls have been maintained chiefly because of continued shortages of high grades of low volatile coal.

Petroleum

The petroleum supply position this year has proved adequate not only to meet the seasonally high summertime demands for gasoline, but also to permit the build-up of substantial inventories of heating oils to meet the needs of winter consumption. A careful check has had to be maintained on the volume of exports, however, because petroleum continues to be in tight world supply.

The balance in supply and demand was achieved in this country in 1948 by importing more petroleum than we export. This is a basic change from prewar when, in 1939 for example, we exported five times as much as we imported. In recognition of the increased dependence of the United States and western Europe upon petroleum supplies from the Middle East and Latin America, petroleum projects abroad have had to be supported with such materials as could be made available. About 80 percent of the steel allocated for export for all project purposes—petroleum, mining, transportation, food, etc.—is being used for petroleum operations.

Chemicals and drugs

The year 1948 was, in general, a peak production year for chemicals and drugs, by the end of which many of the more acute supply shortages had been overcome. A major factor in the postwar world shortage in this field has been the disruption of the European industry. The increased production in the United Kingdom and Germany during the past year and the expansion of output in Italy, Switzerland, South Africa, Canada, and Australia have lessened the pressure on United States supplies.

The pattern of United States export controls has followed closely the changes in the supply situation and outlook. During the year, such important products as soda ash, caustic soda, lauryl alcohol, phenol formaldehyde resins, creosote, insulin, and streptomycin were removed from the Positive List. On the other hand, for a few other products it was necessary to tighten controls because of growing

shortages of the basic nonferrous metals from which they are derived. These include antimony oxide, the lead chemicals and the chromates.

Coal chemicals

One of the immediate byproducts of the coking of coal is crude coal tar which, when further distilled, is a source of a large number of chemical products including benzene, toluene, cresols, creosote oil and naphthalene. From these in turn are derived such finished products as plastics, dyes, synthetic fibers, pharmaceuticals, insecticides, and explosives. Of the coal chemicals, those still in short supply in the United States—cresols, cresylic acid, benzol, and phenol—are subject to export controls.

Chromium chemicals

Most important of the chromium chemicals is sodium bichromate, which is used directly in the textile and tanning industries, and is also the base from which chromic acid, potassium bichromate, and chromium tanning mixtures are produced. United States supplies are inadequate to meet both the present high level of domestic consumption and unrestricted foreign requirements, and accordingly, reduced export quotas have been imposed.

Caustic soda and soda ash

The alkalies afford excellent examples of the need to keep export control authority flexible to meet changing supply conditions. At the beginning of 1948, the world shortage of these materials was acute, and foreign requirements far exceeded established export quotas. During the year, however, increased domestic production and a sharp decline in foreign demands made possible, first, an easing of quota restrictions, and finally, the removal of soda ash and caustic soda from the Positive List.

Lumber

The high level of lumber production reached in 1947 has been maintained throughout 1948. While domestic demand for lumber has been large, all requirements including a high volume for housing construction have been met. Imports of lumber, which come chiefly from Canada, have increased even more sharply than domestic production. With these increases in supply, shortages in the common grades of lumber have eased considerably during the past year.

In line with the policy to retain export controls only so long as there is a clear need for their continuation, virtually all lumber was removed from the Positive List as of January 1, 1949. The only lumber items remaining under control are Port Orford cedar (a specialty product used to make separators for storage batteries), railroad ties, and millwork.

Food

Cereals are under export control primarily to assure a fair distribution among countries in need. Cereal grains and their products, excluding rice, are not presently controlled for export to the Western Hemisphere countries and the Philippines, licensing requirements having been suspended in the last half of 1948 after good harvests were assured and supplies from the new crops began to come to market. Shipments of wheat, wheat flour, oats, barley and grain sorghums to Western Hemisphere countries and the Philippines were

removed from export restrictions in August 1948. Export license requirements for corn to these countries were continued until December, 1948, in order to protect supplies from the poor crop of 1947 and until grain from the bumper crop of 1948 began to appear on the market. Export license requirements for rye and rye flour were also continued until December because of the limited supplies of that crop in this country.

While world supplies of meat are only slightly below prewar, the decline has been substantial in the importing countries, and much of the increase in the exporting countries has been retained for domestic consumption. World requirements for meat are far in excess of available supplies, and the pressure of rising populations and the desirability of better living standards point to a continuation of the world shortage of meats for some time to come. In view of the tight meat situation, reflected in record prices in 1948, the Department of Commerce has controlled the exports of meat very carefully. Only token amounts have been allocated for export, and only a fraction of one percent of our supply was exported in 1948.

The outlook for fats and oils supplies in 1949 is favorable. During the time of the committee's hearings, the Department of Commerce decontrolled exports of inedible fats and oils and was also able to increase the export quotas for lard, cottonseed and soybean oils. Indications are that large oilseed plantings will be made again this spring, and the spring pig crop is reported as 10 percent over the previous season's crop. With favorable weather conditions, a further easing of the fat situation can be expected, although supplies do not appear sufficient to meet total potential demand for both domestic and foreign needs.

U. S. GOVERNMENT PRINTING OFFICE: 1949

Calendar No. 23

81ST CONGRESS
1ST SESSION

S. 548

[Report No. 31]

IN THE SENATE OF THE UNITED STATES

JANUARY 18, 1949

Mr. MAYBANK introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

FEBRUARY 4, 1949

Reported, under authority of the order of the Senate of February 3, 1949, by Mr. MAYBANK, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard

to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and ~~fulfill~~ *to aid in fulfilling* its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, ~~carriage~~ *transporting*, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such depart-

ments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any ~~department or agency~~ *department, agency, or official* making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and estab-

lished and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or ~~ageney~~ *agency, or official* to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to

appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court *of the United States* for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No ~~department or agency~~ *department, agency, or official* exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or ~~agency~~ *agency, or official* exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, *rules*, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Calendar No. 23

81ST CONGRESS
1ST SESSION

S. 548

[Report No. 31]

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

By Mr. MAYBANK

JANUARY 18, 1949
Read twice and referred to the Committee on Banking and Currency

FEBRUARY 4, 1949
Reported with amendments

81st Congress } HOUSE OF REPRESENTATIVES { Report
1st Session } { No. 18

EXPORT CONTROL ACT OF 1949

February 4, 1949.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Spence, from the Committee on Banking and Currency, submitted the following

REPORT

[To accompany H. R. 1661]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

1. In section 2 strike out "fulfill" and insert in lieu thereof "to aid in fulfilling".
2. In section 3 (a) strike out "carriage" where it appears therein and insert in lieu thereof "transporting".
3. In section 4 (a) immediately following the word "department" strike out "or" and insert a comma; and immediately following the word "agency" insert ", or official".
4. In the last sentence of section 4 (b) immediately following the word "agency" insert ", or official".
5. In the second sentence of section 6 (a) immediately following the word "court" where such word first appears in said sentence insert "of the United States".
6. In the first line of section 6 (c) immediately following the word "department" strike out "or" and insert a comma; and immediately following "agency" in said line insert ", or official".
7. In section 8 immediately following the word "agency" insert ", or official"; and at the end of said section insert a period.
8. In the second sentence of section 11 immediately following "delegations," insert "rules,".

General Statement

Export controls are being used at the present time to accomplish three important objectives: cushioning the domestic economy from

the inflationary impact of foreign demand; influencing the geographic distribution of such quantities of scarce materials as can reasonably be spared from our economy; and exercising the necessary vigilance of exports of industrial commodities significant from the standpoint of the security of the United States.

The bulk of our merchandise in export has not been in short supply commodities. Only about one-fourth of these exports has been in commodities for which quantitative export control is deemed necessary. Within this relatively limited sphere it has been desirable to temper the inflationary impact of foreign demand. This has been accomplished by limiting the quantities of scarce materials permitted to leave this country and, where feasible, by disqualifying export transactions made at excessively high prices. The supplies of these materials available for domestic use have been sufficient to permit a steadily increasing level of output and consumption in the United States.

Through export controls geographic distribution of commodities has been affected to channel exports into friendly countries notably those participating in the European recovery program. For instance in the first 6 months of 1948 uncontrolled exports amounted to $4,850,328,000 of which only 25 percent or $1,211,056,000 went to European recovery program countries. However, in the same period, controlled exports amounted to $1,643,210,000 of which over 59 percent or $977,484,000, went to European recovery program countries. It is evident that export controls are acting as an effective instrument in assisting the European recovery program.

The imposition of strict controls over shipments to eastern Europe has reduced exports to that area from an annual rate of $400,000,000 in the second quarter of 1947 to an annual rate of only $125,000,000 in the third quarter of 1948. For purposes of export control to eastern Europe, commodities have been classified in descending order of importance from the viewpoint of national security—ranging from materials and equipment which are of direct military significance, or basic importance in the manufacture of the nations, or of great strategic significance from an over-all industrial point of view, to the relatively nonessential commodities which are in abundant supply in this country and which are of slight significance either to the basic industries or to the general economy of eastern Europe. In general, export licensing to eastern Europe has been most restrictive at the top of this scale and least restrictive at the bottom.

The Department of Commerce, under existing law, has been given the principal responsibility in the administration of export controls. In the administration of such controls the Department through its Office of International Trade obtains the counsel and assistance of other Government agencies through the mechanism of formal interdepartmental committees. This mechanism has been used to assure policy coordination of these controls. The Advisory Committee on Requirements has the general function of assuring a coordinated supply-requirements operation by relating estimates of material requirements to estimates of supply available from foreign and domestic sources, by formulating measures necessary to bring supply and demand more closely into balance, and by advising the Secretary of Commerce as to the relative importance of programs and projects competing for materials in short supply.

The rules and regulations governing export controls are published in the Federal Register, including the so-called positive list—the list of commodities requiring specific export licenses for all destinations. It is the practice of the Department of Commerce to publish the quotas for all controlled commodities to which they apply so that exporters may have, in advance, a general idea of the quantities they might individually be allowed to export. Such information, with detailed explanations for the use of the export trade, is published by the Department of Commerce in a quarterly, comprehensive export schedule, supplemented by current export bulletins. To assist in formulating procedures for the various commodities under control, the Department has accelerated and extended its trade-consultation activities. During the past quarter, formal conferences have been held with many different groups of businessmen concerned with the export of various commodities. In order to secure broad representation, the membership includes small, medium, and large firms; merchant exporters as well as producers; exporters in various regions of the country; and trade-association members as well as independents.

These commodity advisory committees have proved helpful in determining the most equitable methods of distributing limited quotas among exporters. These groups have concerned themselves with the following questions relating to quota distribution: The extent to which price criteria should be used; the proportion of the quota to be allotted between traditional exporters and newcomers; administrative techniques for identifying and eliminating applicants whose interest is purely speculative; and the extent to which foreign government recommendations should be followed in granting export licenses.

These trade advisory activities have yielded immediate and substantial benefits to the export trade community, and the Department has been assisted in the improvement of licensing procedures to meet the varying practical problems involved in the export of different commodities. The result has been not only to facilitate export transactions and shipments of commodities, but also to reduce substantially the administrtive burden of licensing control.

At the beginning of 1948, there were 386 separate commodity classifications under export control. This compares with the more than 3,000 such classifications under export control during the war years. For the first 6 months of 1948 exports of commodities on the positive list amounted to $1,643,210,000, or approximately 25 percent of the total value of commodities exported amounting to $6,493,539,000. Major commodities under export control for supply reasons are discussed in the following paragraphs.

STEEL

Because of the continuing steel shortages, virtually all steel products are under export control, a significant change from the situation in 1947, when less than half of the steel tonnage exported was under control. Shipments abroad hit a postwar peak in the second quarter of 1947, when they reached an annual rate of 6.9 million tons or 10.7 percent of the supply. For the year 1947 as a whole, exports totaled 6.5 million tons or 10.3 percent of the supply. In each quarter of 1948, the downward trend has continued. In the first quarter, exports were at an annual rate of 5.4 million tons, or 8.3 percent of the supply; in the second quarter, 4.3 million tons, or 6.7 percent of

supply; in the third quarter, the annual rate of exports was down to less than 3.7 million tons, and by the fourth quarter, the annual rate of exports was 3.3 million tons, or 4.8 percent of the supply. For purposes of comparison, it may be noted that in the immediate prewar period, exports accounted for 7.6 percent of the supply.

The sharp increases in steel production abroad in 1948 contributed importantly to the reduction of foreign demand upon the United States. This is particularly true of the European recovery program countries where most of the production increase was concentrated, and which before the war required little steel from the United States. For the most part, increased output abroad was used to satisfy indigenous needs, but a part was also used to fill demands in other countries. Exports of steel from the United Kingdom in 1948 were back to prewar levels, and exports from Belgium and Luxemburg, the chief competitors of the United States in the steel export field, were substantially above prewar.

Aside from the extension of export controls during 1948 to cover almost every form of steel exported from the United States, export licensing restrictions were tightened by reducing the validity period of outstanding licenses from 12 months to 6 months, and by requiring the use of an individual license application for each shipment of each steel product to each country of destination. In addition, the total export quotas established for each steel item under control were divided into fairly rigid subquotas for each country. These country quotas were determined after careful screening of requirements statements submitted by foreign governments and supplemented by United States embassies abroad. Some country quotas for some items were heavily oversubscribed, particularly, as in the case of Venezuela or south Africa, where ample dollar exchange was available and long-term market prospects are good; in other cases, notably those involving countries of western Europe, the total volume of applications was smaller than the established quotas. The country quota system assists needy countries to obtain steel from United States suppliers by restricting exports to those markets which might otherwise tend to monopolize export tonnages.

An increased share of the steel exported from the United States in 1948 was destined for special projects operations and activities abroad of such high importance to the United States as to merit special attention to their requirements for steel and other scarce materials. Roughly one-fourth of the total steel quotas were earmarked for these projects, most of which are owned or controlled by American interests. The bulk of the steel moving under special project license was used for petroleum operations abroad, in Venezuela and other countries of Latin America, and in the Middle and Far East. Smaller quantities were licensed for a number of mining operations engaged in the production of strategic and critical materials needed in the United States. Practically all of the casing and oil-line pipe and large portions of the unlined storage tanks, seamless black pipe, structural shapes, and reinforcing bars which were permitted for export were needed to maintain and expand these special project activities abroad.

NONFERROUS METALS

The nonferrous metals—copper, zinc, lead, tin, and aluminum—currently offer the most serious supply problems to the United States.

The world-wide scarcity, the immediate needs of the strategic stock pile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands indicate that the shortage of nonferrous metals will not be overcome in the near future.

The United States has long been dependent on foreign sources to meet a large portion of its nonferrous metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on imports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States. The nonferrous mining operations in the Western Hemisphere are classified as special projects, and receive preference in the allocation for export of short supply materials from the United States. Virtually all of the requirements of these operations for maintenance, repair, and operating supplies, as well as materials for new development and facilities, come from the United States.

The increasing pressure on nonferrous metals supplies during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet, and strip were added to the positive list in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports. Quotas for other nonferrous metals were also reduced during the year.

The bulk of the exports of copper and zinc have consisted of refined copper and slab zinc produced from imported ores. Much of this material entered the United States for processing and reexport. Although licenses are required for these reexports, it has been the practice to permit comparatively free exports of products processed from imported ore. This policy has been adopted in order to stimulate the movement of ores to this country and to keep United States smelters operating at capacity.

FOOD

World supplies of cereals are becoming more adequate to meet the minimum requirements of all countries provided they would move into the channels of trade at the proper time and in fair proportions. Because of dollar shortages in most importing countries and price considerations in the exporting countries, these conditions would not be met without certain Government controls. Cereal grains and their products, excluding rice, are not presently controlled for export to the Western Hemisphere countries and the Philippines, licensing requirements having been suspended in the last half of 1948 after good harvests were assured and supplies from the new crops began to come to market. Shipments of wheat, wheat flour, oats, barley, and grain sorghums to Western Hemisphere countries and the Philippines were removed from export restrictions in August 1948. Export license requirements for corn to these countries were continued until December 1948 in order to protect supplies from the poor crop of 1947 and until grain from the bumper crop of 1948 began to appear on the market. Export license requirements for rye and rye flour were also continued until December because of the limited supplies of that crop in this country.

While world supplies of meat are only slightly below prewar, the decline has been substantial in the importing countries, and much of the increase in the exporting countries has been retained for domestic consumption. World requirements for meat are far in excess of available supplies, and the pressure of rising populations and the desirability of better living standards point to a continuation of the world shortage of meats for some time to come. In view of the tight meat situation, reflected in record prices in 1948, the Department of Commerce has controlled the exports of meat very carefully. Only token amounts have been allocated for export, and only a fraction of 1 percent of our supply was exported in 1948. A large share of the total allocations have been licensed to special projects, many of which produce critical materials which augment United States supplies. Latin America and the Philippines have been allotted the remainder, and the bulk of the shipments has consisted of pork.

The outlook for fats and oils supplies in 1949 is favorable. Indications are that large oilseed plantings will be made again this spring, and the spring pig crop is reported as 10 percent over the previous season's crop. With favorable weather conditions, a further easing of the fat situation can be expected, although supplies do not appear sufficient to meet total potential demand for both domestic and foreign needs. The improving fat situation in the United States is part of a general easing in the world shortage of fats and oils.

TEXTILES

Only a few textile items are under export control. Since output of raw cotton and cotton goods is ample to meet all domestic demands, and to provide a substantial surplus for export, these products are free of positive list control. Rayon and other synthetics are exempt from control for the same basic reason. In the case of wool, where the United States is dependent upon imports to meet a major part of its needs, controls are likewise unnecessary because of the general adequacy of world supply and because of the traditionally low level of export demand.

Positive list controls over textiles are limited to fibers not produced in the United States—jute, manila, and sisal—and to their products, including binder and baler twine. In general, exports of these commodities were higher during 1948 than in the prewar period. As before the war, however, exports have been relatively unimportant in comparison with domestic consumption.

BUILDING MATERIALS

Few building materials normally enter the export market to an appreciable extent. Controls, therefore, have been exercised on a selective basis, and materials have been removed from export control as rapidly as permitted by the underlying supply-demand situation. An important action in this field recently was the decontrol of gypsum board and lath, the interior wall materials most widely used in residential construction.

At the present time only a few building materials items remain under export control. These are the items presently in shortest supply, such as water-closet sets, metal window and door frames, cast-iron soil pipe,

iron and steel conduit, and woven-wire screen cloth. Exports of prefabricated houses also are subject to individual licensing. Continued selective control is essential in this field in order to prevent excessive drains on the domestic supply which might impede needed construction.

COAL

The coal situation improved materially in 1948, both in the United States and abroad. Increased production in western Europe, as well as the scarcity of dollars, has eased the pressure of demand upon the United States, and domestic production has been adequate to supply both domestic needs and reduced foreign requirements.

The decline in foreign requirements, coupled with continued high levels of production and rising stocks, have permitted a relaxation of export restrictions. Since September 1948, coal has been under open-end quota, and applications have been licensed freely. Controls have been maintained chiefly because of continued shortages of high grades of low-volatile coal. If production continues to increase in Europe and is maintained near current levels in this country, it may be possible to delete coal from the positive list in 1949.

PETROLEUM

The petroleum-supply position this year has proved adequate not only to meet the seasonally high summertime demands for gasoline, but also to permit the build-up of substantial inventories of heating oils to meet the needs of winter consumption. A careful check has had to be maintained on the volume of exports, however, because petroleum continues to be in seriously tight world supply.

The balance in supply and demand was achieved in this country in 1948 by importing more petroleum than was exported. This is a basic change from prewar when, in 1939 for example, exports were five times as much as was imported. In recognition of the increased dependence of the United States and western Europe upon petroleum supplies from the Middle East and Latin America, the Government has followed a policy of supporting petroleum projects in those areas with such materials as could be made available. About 80 percent of the steel allocated for export for all project purposes—petroleum, mining, transportation, food, and so forth—is being used for petroleum operations.

CHEMICALS AND DRUGS

The year 1948 was, in general, a peak production year for chemicals and drugs, by the end of which many of the more acute supply shortages had been overcome. A major factor in the postwar world shortage in this field has been the disruption of the European industry. The increased production in the United Kingdom and Germany during the past year and the expansion of output in Italy, Switzerland, South Africa, Canada, and Australia have lessened the pressure on United States supplies.

The pattern of United States export controls has followed closely the changes in the supply situation and outlook. During the year, such important products as soda ash, caustic soda, lauryl alcohol, phenol formaldehyde resins, creosote, insulin, and streptomycin were removed from the positive list. On the other hand, for a few other

products it was necessary to tighten controls because of growing shortages of the basic nonferrous metals from which they are derived. These include antimony oxide, the lead chemicals, and the chromates.

COAL CHEMICALS

One of the immediate byproducts of the coking of coal is crude coal tar which, when further distilled, is a source of a large number of chemical products including benzene, toluene, cresols, creosote oil, and naphthalene. From these in turn are derived such finished products as plastics, dyes, synthetic fibers, pharmaceuticals, insecticides, and explosives. Of the coal chemicals, those still in short supply in the United States—cresols, cresylic acid, benzol, and phenol—are subject to export controls.

CHROMIUM CHEMICALS

Most important of the chromium chemicals is sodium bichromate, which is used directly in the textile and tanning industries, and is also the base from which chromic acid, potassium bichromate, and chromium tanning mixtures are produced. United States supplies are inadequate to meet both the present high level of domestic consumption and unrestricted foreign requirements, and accordingly, reduced export quotas have been imposed.

CAUSTIC SODA AND SODA ASH

The alkalies afford excellent examples of the need to keep export control authority flexible to meet changing supply conditions. At the beginning of 1948, the world shortage of these materials was acute and foreign requirements far exceeded established export quotas. During the year, however, increased domestic production and a sharp decline in foreign demands made possible, first, an easing of quota restrictions, and finally, the removal of soda ash and caustic soda from the positive list.

DRUGS

The most important recent export control development in this field has been the decontrol of streptomycin. As United States supplies increased it was possible to liberalize the amounts authorized for export. In the third quarter of 1947, the export quota was 825,000 grams; by the second quarter 1948 the quota had been raised to 6,000,000 grams, and for the remainder of the year, streptomycin was licensed under an open-end quota. A review of the situation at the close of the year indicated domestic requirements of less than half of expected supply so that export controls were no longer necessary on that account.

FERTILIZERS

Fertilizers are composed of three types of primary materials, nitrogenous, phosphatic, and postassic. There is a world shortage of fertilizer material which is particularly serious in the case of the nitrogenous.

Current United States supplies of phosphatic fertilizers are adequate to permit free exports without adverse effect, so they are no longer on the positive list.

Prewar, Germany was the world's major supplier of potash. Approximately 60 percent of Germany's resources are located in the Soviet zone. Potash supplies for western Europe now come mainly from France, Spain, and Palestine, and some from Russia. Shipments of potash from the United States to Western Hemisphere destinations and the Philippines are not subject to export licensing, but exports to all other areas are tightly controlled.

Nitrogenous fertilizers are subject to strict export controls to all destinations. Most of the western European countries produce these fertilizers, but, except for Belgium, Italy, Norway, Switzerland, and the United Kingdom, imports are required to supplement indigenous production. The only other exporting countries, in addition to the United States, are Canada and Chile.

MACHINERY AND EQUIPMENT

The major machinery items whose exports are controlled in order to protect the domestic supply are railway freight cars and parts. To conserve steel and insure an increased domestic freight car park, freight cars were placed on the positive list on July 1, 1947. Production has been steadily increasing since the beginning of 1947; but the total of cars in operation has not increased appreciably because of the large number of retirements. To prevent the assembly abroad of complete cars from United States parts, freight car parts, and air-brake equipment were added to the positive list in February 1948.

While some commodities in the machinery category are still in tight supply, the producers themselves have limited exports, thus obviating the necessity for Government controls. Production of motor vehicles, for example, is still short of demand, but exports in 1948, in the absence of controls, represented a little over 6 percent of production, compared with 7 percent in 1947 and 8 percent prewar. The situation with respect to farm machinery and tractors is essentially the same.

LUMBER

The high level of lumber production reached in 1947 has been maintained throughout 1948. While domestic demand for lumber has been large, all requirements including a high volume for housing construction have been met. Imports of lumber, which come chiefly from Canada, have increased even more sharply than domestic production. With these increases in supply, shortages in the common grades of lumber have eased considerably during the past year.

Exports in 1948 represented 1.4 percent of the total new supply as against 3 percent in 1947, and 5 percent before the war. The sharp drop in lumber exports stems chiefly from the contraction of foreign demand. Supplies were ample, but foreign orders were not forthcoming in sufficient quantity to absorb even the limited export quotas established by the Department of Commerce. In line with the policy to retain export controls only so long as there is a clear need for their continuation, virtually all lumber was removed from the positive list as of January 1, 1949. The only lumber items remaining under control are Port Orford cedar (a specialty product used to make separators for storage batteries), railroad ties, and millwork.

Section-by-Section Analysis of the Bill

In general the bill would provide for the continuation of the existing export control authority. The scope of the export control program proposed by this bill is for most purposes identical with the scope of the program under existing law. The principal differences proposed by the new bill are concerned with provision for a more effective enforcement program, and making mandatory the requirement (1) for interdepartmental consultation as to specific items to be controlled and the extent of the control, and (2) for consultation with representatives of the export trade concerning licensing criteria and related matters.

SECTION 1

Section 1 would provide that this act may be cited as the "Export Control Act of 1949."

This section also sets forth findings which justify the necessity for the continuation of export controls.

SECTION 2

This section would provide that the control of exports shall be used to the extent necessary to effect certain policies of the United States, namely: (1) To protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (2) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (3) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

SECTION 3

This section would authorize the President to prohibit or curtail the exportation from the United States, its Territories, and possessions, any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe in order to effectuate the policy set forth in section 2. To the extent necessary to achieve effective enforcement of this act such rules and regulations may apply to the financing, exporting, and other servicing of exports and the participation therein by any person.

Subsection (b) would provide that the President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

SECTION 4

Subsection (a) of this section would provide for consultation by the department, agency or official determining which articles, materials, or supplies shall be controlled and the extent to which exports thereof shall be limited, and the several executive departments and individual agencies concerned with aspects of our domestic and foreign policies and operations having important bearing upon exports. These provisions requiring such consultation, while not contained in existing law, are presently being used to correlate to the fullest extent possible

the activities of the departments and agencies responsible for determining export quotas with those departments and agencies concerned with other aspects of our domestic and foreign policies and operations having an important bearing on exports. The provisions of this subsection would make such consultation mandatory.

Subsection (b) would provide that in authorizing exports full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters. To effect this purpose this subsection would require that provision shall be made for representative trade consultation.

This subsection would also provide that in addition to utilizing competitive trade channels insofar as practicable in the authorization of exports there may be applied such other standards or criteria, such as destination, end-use, or price criteria, as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this act. Destination, end-use, and price criteria are presently applied with respect to the control of exports under provisions of existing law.

SECTION 5

This section would provide for the civil and criminal penalties, which, upon conviction may be imposed for violation of any provision of the act or any regulation, order, or license issued thereunder.

SECTION 6

Subsection (a) of this section would provide for certain authority which may be exercised by the head of any department, agency, or official exercising any functions under the act with respect to the making of investigations of, the keeping of records by, and the inspection of books, records, and other writings of, any person affected by the provisions of the act to the extent necessary or appropriate to the enforcement of the act. Subpena powers would be authorized to require the appearance of persons or the production of books, records, and other writings, or both, to the extent necessary or appropriate to the enforcement of the act.

Subsection (b) of this section would provide for the application of the immunity provisions of the Compulsory Testimony Act of February 11, 1893, with respect to individuals who specifically claim such privilege.

Subsection (c) of this section would provide that no department, agency, or official exercising any functions under this act shall publish or disclose information obtained thereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department, agency, or official determines that the withholding thereof is contrary to the public interest.

SECTION 7

This section would provide for the exemption of functions exercised under this act from the Administrative Procedure Act, except as to the public information requirements of section 3 of such act.

SECTION 8

This section would provide for the making of a quarterly report to the President and the Congress by the head of any department or agency or official exercising any functions under the act.

SECTION 9

This section would define the term "person."

SECTION 10

This section would provide that the act of February 15, 1936, relating to the licensing of exports of tin-plate scrap is superseded by the provisions of this act. This section further provides that nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity. Some of the commodities presently under export control pursuant to the provisions of other laws and not affected by the provisions of this act are narcotics and gold, ammunition, arms and implements of war, tobacco seed, and atomic energy materials.

SECTION 11

This section would provide that the act will take effect on February 28, 1949, upon the expiration of the existing export-control law and also would provide that all outstanding delegations, regulations, orders, licenses, or other forms of administrative action under the existing export-control authority shall remain in full force and effect, until amended or revoked, the same as promulgated under this act.

SECTION 12

This section would provide that the authority granted under this act will terminate on June 30, 1951, or upon any prior date upon which the Congress by concurrent resolution or the President may designate.

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Union Calendar No. 8

81st CONGRESS
1st SESSION

H. R. 1661

[Report No. 18]

IN THE HOUSE OF REPRESENTATIVES

JANUARY 18, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

FEBRUARY 4, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard

to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and ~~fulfill~~ *to aid in fulfilling* its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall precribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, ~~carriage~~ *transporting,* and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such de-

partments, agencies, or officials of the Government as he may deem appropriate.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, ~~or~~ agency, *or official* making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency, *or official* to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished

by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court *of the United States* for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, ~~or~~ agency, *or official* exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency, *or official* exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, *rules*, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Union Calendar No. 8

81ST CONGRESS
1ST SESSION

H. R. 1661

[Report No. 18]

A BILL

To provide for continuation of authority for the regulation of exports, and for other purposes.

By Mr. SPENCE

JANUARY 18, 1949
Referred to the Committee on Banking and Currency

FEBRUARY 4, 1949
Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

considered S. 548, has unanimously reported the bill, as amended, and has recommended that the bill do pass.

Exports of commodities from this country have been controlled by law since the power was first requested by President Roosevelt in 1940. From that time to the present this authority has been renewed periodically by the Congress. However, the nature, scope, and purposes of the controls exercised under it have been modified to meet the changing needs of the national interest.

In 1940 export controls were being used to strengthen the national defense. During the war they were used to prevent supplies from getting to our enemies and to direct goods to our fighting allies, while at the same time protecting our own scarce supplies.

Since the end of the war they have been used and at the present time they are being used, first, to cushion the domestic economy from the inflationary effects of abnormal foreign demand for some of our supplies which are still short; second, to direct such goods as we can spare to those countries where need is greatest and where world recovery will be speeded up; and finally, to check exports of industrial commodities which might affect our national security.

In other words, these controls are necessary now, and are being used, to protect the domestic economy by limiting exports of scarce materials, and to channel exports to countries where the need is greatest, and where our foreign policy and national security interests would be served best.

President Truman, in his State of the Union Message, emphasized the need for continuation of these controls, and asked for renewal of the present legislation, together with provisions for more adequate enforcement, which have been included in the pending bill. The testimony of the Secretary of Commerce, the Under Secretary of Agriculture, and other Government witnesses, as well as witnesses invited from the trade, who appeared before the Subcommittee on Small Business of the Banking and Currency Committee, was very convincing as to the need for maintaining export controls throughout this period of unsettled world affairs.

As pointed out in the committee report, a number of witnesses urged a shorter extension, of only 16 months, not because they questioned the need for the longer extension, but only in order to provide for an annual review by the Congress. Such a review is not precluded in S. 548. On the contrary, specific provision is made for quarterly reports to the Congress of operations thereunder, and for termination of the controls at any time by simple concurrent resolution. The evidence at this time is fairly clear as to the need for these controls for at least two years to come.

In this connection, it should also be observed that the Investigations Subcommittee of the Committee on Expenditures in the Executive Departments which had made an exhaustive survey of the program during the last Congress, stated in its report of December 18, 1948:

> The failure to maintain adequate export controls at this time can have extremely harmful effects upon our national security and domestic economy. The national security aspects of our export control program are of transcendent importance. * * * The economic phases of the export control program are also important.

Generally speaking, S. 548 makes no substantive changes from the present law. The legal authority is continued for the control of commodities, the licensing of specific exports, and the exercise of destination, end-use, price and other pertinent licensing standards and criteria to carry out the purposes of the bill.

Mr. BALDWIN. Mr. President, will the Senator yield for a question, or would he rather that I wait until he concludes his remarks?

Mr. MAYBANK. I have no objection to yielding.

Mr. BALDWIN. I notice in the committee report that the controls which the Senate is being asked to extend by the pending legislation, are substantially the same controls and continued in the same language by which they were continued in section 3 of the joint resolution of December 30, 1947. Was not that the so-called Anti-inflation Act which was passed in the fall of that year? And was not that section 3 of that act?

Mr. MAYBANK. That is correct. That was after certain items had been controlled. It was during the administration of President Roosevelt, in 1940, that these controls were begun. The controls became greater and greater during the war. In the year to which the Senator referred some decontrols were put into effect. They were considered at that time by the Committee on the Judiciary, by the Commerce Committee, and by other committees. The controls then dealt substantially with materials which were scarce at that time, and which apparently are scarce now.

Mr. BALDWIN. In other words, this is a continuation of section 3 of the act setting up antiinflation measures adopted in a Republican-controlled Congress in December 1947. The other day we continued in force and effect section 2 of that act. Now we continue section 3.

Mr. MAYBANK. The Senator is correct.

Mr. BALDWIN. So, what we are asked to do now is to continue in force and effect a section 3 in substantially the same form as it was passed in a Republican-controlled Congress?

Mr. MAYBANK. After control had, of course, been commenced by President Roosevelt in 1940; yes.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield to the Senator from Ohio.

Mr. TAFT. What is the justification for extending this control for 2 years and 3 months? Why is not 1 year enough? Why cannot we reasonably hope that a year from this time there will no longer be need for export control.

Mr. MAYBANK. I am very hopeful that it will not take a year. That is why we have the provision in the bill that the control can be ended by the adoption of a concurrent resolution at any time.

The principal additions to the present law are the provisions which are designed to improve enforcement of export controls. These are contained particularly in sections 3 and 6. The report of the investigations subcommittee, previously mentioned, pointed out the necessity for such a stronger compliance program. The President emphasized the need for strong enforcement measures, and the Secretary of Commerce has made a similar recommendation. In order to give effect to these recommendations, which are discussed more at length in the committee's report, specific authority is provided in this bill for undertaking all necessary enforcement measures.

The determination of what commodities shall be decontrolled and the fixing of export quotas have been delegated by the President to the Secretary of Commerce, but the decisions on such matters are made only after an extensive review by an interagency committee on which all interested departments are represented.

The committee felt that the Secretary of Agriculture should, because of his general responsibilities in the field of food and agriculture, be given final responsibility for determining the total amount of agricultural commodities, including fats and oils, which are in excess of our own needs and which could, accordingly, be authorized for export.

Mr. CONNALLY. Mr. President, will the Senator yield at that point?

Mr. MAYBANK. Yes.

Mr. CONNALLY. As a matter of fact, I understand that the European prices for fats and vegetable oils are higher than those in the United States.

Mr. MAYBANK. The statement is correct.

Mr. CONNALLY. We have a surplus of such fats and oils in the United States, and yet permission is not granted to export the surplus to Europe.

Mr. MAYBANK. I will say to the Senator from Texas that we have prepared an amendment, the purpose of which is to leave that matter entirely to the Secretary of Agriculture. I may say that the President himself spoke to the chairman of the House committee, Mr. SPENCE, and also to Representative BROWN, of Georgia. The Secretary spoke to me, authorizing me to say that he would not object to having the matter turned over to the Department of Agriculture.

I am glad the Senator from Texas is present on the floor of the Senate at this moment. I wish to say to him that I think the fats and oils situation, as the testimony will show, has in the past been handled miserably. We undertook a full investigation of that subject. I wish to call to the attention of the Senator from Connecticut [Mr. BALDWIN], who asked about similar language, that the law which permits the Secretary of Commerce to have a veto with respect to export of agricultural products is, to my way of thinking, all wrong. The price of cottonseed has gone down. The price of lard has gone down. As every western Senator knows, the price of soybeans has gone down. The latest figures we have

received, since the hearings were closed, show that the price of soybeans is still declining. To illustrate, let me for a moment compare the prices of soybean oil and cottonseed oil at the beginning and end of last year. The price of soybean oil, for instance, in January 1948 was 26.6 cents. The price in December 1948 was 17.3 cents. The price of cottonseed oil in January 1948 was 28 cents as compared with 17.08 cents in December 1948. Last Thursday's quotation on cottonseed oil, crude in the valley, was 13.75.

I want the Senator from Texas, who has a wide knowledge of cotton and of agriculture, to help us, if he can, so far as ECA is concerned. The ECA has not bought sufficient cottonseed oil, nor has the ECA bought sufficient soybeans, nor has the ECA bought the inedible fats and the edible fats which are selling for almost nothing in this country, and which could be used, particularly in the region where General Clay has jurisdiction, as the testimony shows. The Senator is correct in his statement. This matter has been poorly handled. I hope it will be handled better under the Secretary of Agriculture. I hope the ECA will take an interest in the program. The farmers of the country are in dire need of such help.

Mr. CONNALLY. Has the Senator from South Carolina any assurance that if control of the matter should be placed under the Department of Agriculture it will be handled better than it is now?

Mr. MAYBANK. No; but that is the only suggestion that was made.

Mr. CONNALLY. The authority ought to be trimmed down quite materially before it is placed anywhere.

Mr. MAYBANK. We trimmed it down.

Mr. CONNALLY. Let me say a word respecting ECA. My information is that vegetable oils are selling in Europe for higher prices than they are selling for in the United States.

Mr. MAYBANK. The Senator, I believe, is correct.

Mr. CONNALLY. So we could very easily help the objectives of the ECA by shipping more vegetable fats to Europe, and bringing down the price in Europe, rather than spending our money by paying the higher prices here at home.

Mr. MAYBANK. The Senator is eminently correct.

Mr. CONNALLY. I certainly hope the committee will do something to relieve the situation. The present policy seems to me to be foolish. It benefits no one.

Mr. MAYBANK. I may say to the Senator that inedible fats have already been decontrolled.

Mr. CONNALLY. Not entirely.

Mr. MAYBANK. Yes.

Mr. CONNALLY. An allocation was made the other day for the first quarter of the year.

Mr. MAYBANK. No; inedible fats have been decontrolled.

Mr. CONNALLY. How about edible fats? Inedible fats cannot be eaten. If we are going to relieve Europe, we ought to give its people something they can eat. There is no use attempting to relieve them by giving them inedible fats, and leaving the edible fats under control.

Mr. MAYBANK. With respect to edible fats, additional allocations amounting to 35,000,000 pounds each of lard, cottonseed and soy beans, were issued last week. The Department is now considering the subject. I feel that as soon as authority is vested in the Department of Agriculture—it is vested in the Department of Commerce now——

Mr. CONNALLY. I understand.

Mr. MAYBANK. As soon as it is vested in the Department of Agriculture, I hope the Department will decontrol them.

The question is whether ECA could not render a great service by providing Europe with more inedible as well as edible fats, because, as the Senator says, ECA is paying higher prices for European fats than our farmers are receiving for theirs. Not only that, Mr. President, but the same situation is true with respect to Canada and South America.

Mr. CONNALLY. Speaking of edible fats, wholesome food needed by the people of Europe and by the people of all the world, we have now more of them than we need in the United States, and those in control of the exportation of such fats have placed a fence around them and will not permit them to be exported. The difficulty about vesting the authority in any of the Federal departments is that the Secretary himself cannot personally examine every application. The Secretary of Commerce receives 10,000 applications a week.

Mr. MAYBANK. Certainly.

Mr. CONNALLY. Some clerk in the Department smells around and secures reports. He knows nothing about inedible fats; he knows nothing about cottonseed oil; he knows nothing about soybean oil. He simply makes some sort of a calculation and fixes the quota that shall be allowed to go abroad.

Mr. MAYBANK. I am in thorough accord with the Senator. That is the reason why we talked with the President and were assured that the responsibility for the determination of export quotas, exportable surpluses of agricultural commodities would be turned over to the Department of Agriculture. That is the reason for the amendment. I intend to follow it up to the limit of my ability as a member of the Banking and Currency Committee, and I feel certain that my good friend, the chairman of the Committee on Foreign Relations, will help us out with ECA.

Mr. CONNALLY. I will help the Senator and his committee if they will do their part. It is proposed to turn the administration of this subject over to the Department of Agriculture. If that is done, I hope that the Secretary of Agriculture will be fully informed as to what has transpired.

Mr. MAYBANK. I talked with him only this morning.

Mr. CONNALLY. That will do no good unless the Senator talks with him tonight and tomorrow and the following night, and the next day and the next night.

Mr. MAYBANK. At least, he will be responsible.

Mr. CONNALLY. What does that amount to? The Secreary of Commerce is now responsible, but what does it amount to? All it amounts to is that we rise in the Senate and make little speeches, and that is the end of it.

Mr. MAYBANK. I do not agree with the Senator in that respect. We listened to more than a week of testimony. I feel that agricultural products do not belong under the Department of Commerce, and have no place there.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAYLOR. I think it would be helpful to the discussion to point out to the senior Senator from Texas that we were informed that the allocations of edible fats and oils are not being taken up at the present time. The export licenses are not consuming all the allocations available. So it would make little difference if the controls were removed.

Mr. MAYBANK. The trouble is the great shortage of dollars outside this country.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. CONNALLY. It will not do any harm if they cannot buy the goods and pay for them. No one will be hurt. But if the products are dammed up and cannot be exported, our own producers are hurt.

Mr. MAYBANK. The Senator was eminently correct as the situation existed last fall. What went on was outrageous. But since the present Congress has been in session both inedible and edible fats and oils have been available. Since we held the hearings quotas have been increased to the point where we are informed that they cannot all be taken up.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. ROBERTSON. I merely wish to confirm what the distinguished chairman of the committee has said about the zeal with which we went into the subject. On the Committee on Banking and Currency there are members who are not bankers. Some of them come nearer to being farmers than bankers. We are very much interested in what affects the farmer. We went into the subject very fully. We feel that we have amended the language of the bill so as to protect the situation. We have the assurance of the President, the Secreary of Agriculture, and the Secretary of Commerce that the intent and purpose of this amendment will be carried out.

I wish further to say to my distinguished colleague from Texas that we shall make it our business to keep in touch with this problem, to see that there are no unnecessary restrictions, red tape, or delays which will result in banking up unconsumable surpluses of edible and inedible fats and oils in this country.

On the first of March a new allocation quota will go into effect. The authorities are now at work liberalizing the quota with a view to moving all the accumulated surpluses for which there are proper markets. I feel that no Member of the Senate need have any uneasiness about the steps we have taken and plan

to take to protect the producer, the processor, and the distributor of fats and oils in this country.

Mr. TAYLOR. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. TAYLOR. Does the chairman of the Committee on Banking and Currency feel that the main reason for keeping allocations and export licenses is to control the destination of edible fats and oils, and to keep them from going to certain countries? As I understand, that is the only reason for keeping controls at this time.

Mr. MAYBANK. I will say to the Senator from Idaho that I understood that some of the controls are designed to keep certain products from going to certain countries. However, I do not believe that was the chief reason for keeping fats and oils under control. I have heard that the only reason why edible fats were selling at such high prices in Europe was that they were being held back here. Why should our farmers be punished and have their goods stocked up in this country when there is a shortage in Europe, and fats and oils are bringing such high prices? As the Senator knows, inedible fats go largely into soaps and products of that kind.

Mr. TAYLOR. But that is not true of edible fats. If the purpose is not to control the destination, then I am at a loss to see any reason for retaining controls.

Mr. MAYBANK. In my opinion there should be no controls on edible fats and oils. As the Senator knows, during our hearings, the allotments on lard, cottonseed oil, and soybean oil were increased by 35,000,000 tons a quarter. The Senator also knows that because of the facts which we brought out with respect to inedible fats, the price of soap was reduced a few cents by the soap manufacturers of the country who have been stocking up on much of the inedible fats at sacrifice prices.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. MAYBANK. I yield.

Mr. GEORGE. I should like to make a brief statement. Export controls certainly do not promote trade and commerce, so far as the sale of our own products is concerned. Red tape and delay certainly militate against the rapid and orderly carrying on of trade and commerce. These controls have been extended for a period of more than 2 years, and they seem to me to be wholly unnecessary. It is not the policy of the United States to use export controls except under certain emergency situations.

Mr. MAYBANK. That is what the law provides.

Mr. GEORGE. The general policy of the United States is to do away with export controls, tariff restrictions, exchange restrictions, and all other restrictive measures which impede commerce. There is no doubt that any exporter in this country must go through certain red tape procedure in order to obtain a permit. All such restrictions operate against the rapid passing into trade of our own products. Here the emphasis is placed upon oil, and that is important.

Mr. MAYBANK. It was emphasized only because the Senator from Texas [Mr. CONNALLY] had asked specifically about oils.

Mr. GEORGE. The amendment itself emphasizes fats and oils. It provides as follows:

> (c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

I presume that all vegetable and animal fats and oils must receive attention from the Secretary of Agriculture if this bill is passed.

Mr. MAYBANK. The Senator is correct.

Mr. GEORGE. But there are other agricultural products, as the Senator from South Carolina well knows, which are not absolutely prohibited from entering interstate and foreign commerce under the present law. I refer, for example, to naval stores. However, the red tape and the long delays involved make it quite impossible to export them. There would seem to be very little reason for continuing these export controls, which are contrary to the general policy which this country has followed for a long time. Such controls should not be used except in case of necessity.

Let me invite the Senator's attention to a further fact. It would be quite impossible, I believe, for anyone except an international trader to do much trading in a commodity such as cotton.

Mr. MAYBANK. I agree.

Mr. GEORGE. He must make his quotations, but he does not know how long it will be before he will get a permit to enable him to export. It is pretty difficult for him to protect himself.

Mr. MAYBANK. That question was discussed over a period of 1 or 2 days with Dr. McIntyre. He is the Assistant Director of OIT. I believe the hearings will show that the procedure has been expedited and that at the present time it is being handled satisfactorily. Even those who had been opposed to it testified that it had been greatly improved in the past 2 months.

Mr. GEORGE. No doubt it has been greatly improved; but the point I am making is that a continuation of export controls necessarily will hamper, to some extent and in some way, our foreign trade.

Mr. MAYBANK. Yes.

Mr. GEORGE. So the controls should not be extended, in my opinion, 1 day beyond the actual necessity.

Mr. MAYBANK. Of course, by concurrent resolution the Congress can do away with the controls. However, the Senator will admit, I am sure, that some commodities, such as steel and other very scarce articles, including manganese, must be controlled.

Mr. GEORGE. I suppose there are yet some scarce articles. However, my observation is that the pipe lines in this country are filling up.

Mr. MAYBANK. I agree.

Mr. GEORGE. And we approaching a period when surpluses are ahead of us—in many lines, at least.

Mr. MAYBANK. That is the situation as regards cotton, wheat, corn, and other commodities; and that is why declines have occurred. But I say to the Senator from Georgia that there are scarcities of strategic metals and minerals, the list of which is printed in the hearings.

Mr. GEORGE. I think there should always be export control of critical and strategic metals and minerals. But our policy with respect to ordinary commerce and trade certainly should be one of complete liberty and freedom, and not one of restrictions. So, to continue this act for 2 years and 3 months strikes me as too long a time. I would much rather vote for it if it would continue controls for only 1 year.

It is true, as the Senator has said, that Congress can get rid of it by concurrent resolution, but it is very difficult to get Congress to act, sometimes. Once a law is placed on the statute books, it tends to remain there. Something in the nature of inertia often affects the Congress in that respect, and we do not move very fast.

Mr. MAYBANK. I say to the Senator from Georgia what I said at the hearings, namely, that I have reference to a long list—some three pages in extent—of strategic and critical materials and metals, including soil pipe made of cast iron, and so forth.

Mr. GEORGE. I agree that there should be some control of strategic materials; but in peacetime I think controls should be removed from ordinary commerce as rapidly as possible.

Mr. MAYBANK. I agree.

Mr. ROBERTSON. Mr. President, I should like to ask a question, if the Senator will yield to me.

Mr. MAYBANK. I yield.

Mr. ROBERTSON. Is it not true that under the bill the Department of Commerce will be able to decontrol any commodity which it sees fit to decontrol?

Mr. MAYBANK. Yes.

Mr. ROBERTSON. Is it not also true that the Department has already decontrolled fats and oils?

Mr. MAYBANK. Yes; and also lumber.

Mr. ROBERTSON. Is it not also true that last year, when the Congress was asked to appropriate more than $5,000,000,000 for aid to the Marshall plan countries, the charge was made that the expenditure of that sum of money abroad would have an inflationary effect upon our economy, and is it not said that this export control is merely an over-all attempt in foreign policy to aid the countries of Europe and at the same time to avoid a serious effect in regard to items which might be in short supply in this country?

Mr. MAYBANK. That is correct.

Mr. ROBERTSON. Does not the Senator from South Carolina also agree that, with world development and as the possibility of peace becomes more nearly a reality, the sooner we can drop all these controls the better it will be?

Mr. MAYBANK. Yes. I do not know how many commodities have already been decontrolled, but I know a large number of commodities have been.

Mr. ROBERTSON. Of course, no one would contend that such controls do not hamper and restrict and to some extent burden foreign commerce, but certainly not so much as it was claimed a little sawmill in the mountains of Virginia burdened interstate commerce under the wage-and-hour bill, because apparently anything anyone does nowadays will burden interstate commerce.

However, these restrictions do have some burdening effect; and naturally we shall urge, insofar as we have the privilege of doing so, the dropping of all export controls on items that are not vital in our over-all policy.

Mr. MAYBANK. Of course, the extreme scarcity of so many of these articles is, as the Senator from Virginia knows, what has caused high prices.

Mr. HICKENLOOPER. Mr. President, will the Senator yield to me for a question?

Mr. MAYBANK. I yield.

Mr. HICKENLOOPER. As the Senator from South Carolina knows, I personally would favor going further into the matter of decontrols than this amendment does.

Mr. MAYBANK. Yes; I talked with the Senator yesterday.

Mr. HICKENLOOPER. I am constrained not to object too much to this amendment, because I think perhaps it is the best decontrol provision we can obtain. But I wish to call the attention of the Senator to one provision of subsection (c), on page 3, which is the decontrol amendment on fats and oils.

Mr. MAYBANK. Yes; it is the farm amendment.

Mr. HICKENLOOPER. I should like to call the Senator's attention to the particular language there, which is a requirement that the Secretary of Agriculture make an affirmative finding of the existence of a surplus. Did the Senator or did the committee consider language which would provide that the decontrols would not apply unless the Secretary of Agriculture were to make an affirmative finding that there was not sufficient amount of the commodity in this country to meet the demand?

Mr. MAYBANK. We did not. No; that was never brought up in the committee, I may say to the Senator.

Mr. HICKENLOOPER. Under this amendment, the Senator from South Carolina and I might agree among ourselves that there was an excess supply. The price might and many other factors might indicate it. But if we could not get the Secretary of Agriculture to make an affirmative finding of the existence of a surplus, the commodity would still be under controls.

I wonder whether it would be better to provide that the commodity would be removed from controls unless the Secretary of Agriculture made an affirmative finding of the existence of a short supply in this country. Of course it is a difficult matter to phrase.

Mr. MAYBANK. I understand the Senator's point of view, and we discussed it yesterday. However, that point was not discussed in the committee.

The amendment which is now set forth was thoroughly discussed in the committee, and I am hopeful that it will be adopted.

Mr. HICKENLOOPER. I am in thorough agreement with the statements heretofore made to the effect that the objective must be to get rid of controls as quickly as possible and to return to a balanced economy. But I think the objection in the past to most of the controls has arisen from the fact that the Department of Agriculture might say, "We would like to decontrol this commodity, but the Department of Commerce will not agree, and we must obtain their consent," and the Department of Commerce might say, "We would like to decontrol this commodity, but we cannot obtain the consent of the Department of Agriculture."

Mr. MAYBANK. The Senator is entirely correct; that was the testimony.

Mr. HICKENLOOPER. However, this amendment represents an improvement, because it would fix the responsibility in one agency.

Personally, the amendment would appeal more to me if it provided for the decontrol of agricultural commodities, and only permitted controls to be imposed when the Secretary of Agriculture, acting under his own responsibility, said, "We do not have enough in this country to go around. Therefore I will reimpose export controls." I would feel better if the amendment read that way, rather than the way it does. Nevertheless, I believe the amendment constitutes a forward step.

Mr. MAYBANK. I appreciate the Senator's position, and I can understand from his remarks just the way he feels about the matter. I say to him that we did not discuss the so-called negative approach.

Mr. HICKENLOOPER. In other words, I believe we had better take the view of keeping the economy going and letting the public official take the responsibility of closing it down, rather than of closing down the economy and then letting the public official on his own responsibility say it should be opened up. I think an important matter of public policy is involved in that connection.

However, I shall not oppose the amendment. I have no amendment to offer at this time. I believe this will substantially accomplish what the Senator is seeking.

Mr. MAYBANK. I appreciate what the Senator has said. I hope at least this step forward will not permit any such situation to exist again in the United States as has existed in the South and West during the past three months with respect not only to fats and oils, edible and inedible, but soybeans and their by-products, as well as cotton. The amendment we just discussed will, I believe, go a long way to prevent any such similar situation from developing.

Mr. President, your committee was particularly concerned and carefully looked into the effect of the export control program upon small business. It should be noted that specific provision is made in this bill, section 4 (b), that in granting licenses for export, consideration shall be given to the interests of small and merchant exporters among others. Provision is also made that there shall be trade consultation with respect to the determination of licensing practices and standards.

In this connection your committee noted with approval that the Department of Commerce had announced sometime ago, in its order providing for the establishment of trade advisory groups, that it will be governed by the principles announced in Senate Concurrent Resolution 14, Eightieth Congress, regarding small business. The committee was also furnished with information indicating the distribution of licenses in a number of commodities among small business, merchant exporters, and new exporters, and was generally impressed that by and large a fair distribution had been made. It was further noted that it was chiefly due to present-day abnormal conditions in foreign trade that small-business men were having difficulty in obtaining a larger share of export business.

Your committee was also concerned to determine how export controls have affected the farmers. During our hearings evidence was presented as to the growing surpluses of inedible and edible fats and oils and the serious drop in their prices. Accordingly, action was taken by the Department of Commerce to decontrol inedible fats and oils for export, and to authorize larger export quotas for cottonseed and soybean oils and also lard.

I ask to have inserted in the body of the RECORD at this point in my remarks the releases issued by the Department of Commerce giving the larger quotas and decontrolling certain articles, while our hearings were under way.

There being no objection, the releases were ordered to be printed in the RECORD, as follows:

RELEASE FROM UNITED STATES DEPARTMENT OF COMMERCE, OFFICE OF INTERNATIONAL TRADE

Controls will be removed effective February 7 from the export of most inedible fats and oils, the Department of Commerce announced today through its Office of International Trade.

Among the inedible fats and oils removed from the positive list of goods requiring specific licenses for export are all soaps, flaxseed, linseed oil, fish oil, olive-oil foots, inedible tallows and greases, stearic acid, oleic acid, neat's-foot oil, fatty acids of vegetable origin, vegetable-oil foots, and soap stock. These products were decontrolled because of generally improved supplies. United States prices of these products are lower than they have been at any time since the removal of OPA price ceilings and the prospects for increased production during the next half year are good.

OIT officials pointed out that existing regulations governing all shipments to Europe remain in effect for these commodities.

Following is a list of the commodities that have been removed from the positive list:

Commodity	*Schedule B. No.*
Neat's-foot oil	080300
Lard oil	080901
Inedible animal oils, n. e. s. (report oleo oil in 005600)	080998
Fish oils (report medicinal in 811910, 811950, and 811990)	081900

Commodity	Schedule B. No.
Grease stearin (include lard stearin)	084300
Oleic acid, or red oil	084700
Stearic acid	084900
Tallow, inedible (report ring grease in 085898)	085700
Pig's-foot grease (formerly 085805)	085898
Other hog grease (formerly 085805)	085898
Beef suet	085898
Ring grease	085898
Other inedible animal greases and fats, n. e. s. (report lubricating greases in 504100)	085898
Flaxseed	222003
Linseed oil	223200
Fatty acids of vegetable origin	224801
Vegetable-oil foots, except olive-oil foots (report olive-oil foots in 224913)	224805
Vegetable soap stock (include vegetable tallow if used for soap stock)	224898
Olive oil, inedible, except sulfured or foots (formerly 224915)	224913
Olive oil, sulfured or foots (formerly 224803)	224913
Soap:	
Toilet, fancy, and medicated (include gift sets of toilet preparations where value of soap exceeds value of other items)	871100
Laundry and household soap in bars:	
White (formerly 871300)	871310
Yellow (formerly 871300)	871350
Other (formerly 871300)	871390
Laundry, chips and flakes, bulk and packaged (formerly 871600) (include Lux, Fab, Chipso, Ivory Flakes, etc.)	871610
Laundry, granulated, powdered, beaded, and sprayed, bulk and packaged (formerly 871600) (include Ivory Snow, Rinso, etc.)	871650
Industrial soap powders (formerly 871600)	871690
Shaving creams, in bulk only	871800
Shaving powders, in bulk only	871900
Nonabrasive types of pastes, powders, and household washing powders (fat content not over 25 percent) (formerly 872400) (report household washing powders, fat content over 25 percent, in 871650)	872450
Abrasive types of soaps (fat content above 10 percent) other than pastes and powders (formerly 872400)	872490
Other soaps	872900

RELEASE FROM DEPARTMENT OF AGRICULTURE

Supplemental export allocations totaling 105,000,000 pounds of edible fats and oils for the January–March quarter of 1949 were announced today by the Production and Marketing Administration of the United States Department of Agriculture. These allocations consist of 35,000,000 pounds each of cottonseed oil, soybean oil, and lard.

Department officials stated that the allocations announced today have been made possible by the availability of somewhat larger supplies of edible fats and oils than had been anticipated when the first quarter of 1949 allocations were determined. Production of lard and butter has been larger than expected, and domestic disappearance of edible fats and oils in general has been somewhat smaller. Specific information on domestic disappearance and January 1 stocks of edible fats and oils was made available by the Bureau of the Census on January 28. The increased availability of edible fats and oils makes it possible to meet more of the continuing needs abroad.

United States production of edible fats and oils for the current crop year ending September 30, 1949, is estimated to be about 550,000,000 pounds larger (7 percent) than the 7,170,000,000 pounds produced in 1947–48. Export allocations for edible fats, oils, and oilseeds issued to date for the period October 1948–March 1949 (including the allocations announced today) total 729,000,000 pounds, oil equivalent, compared with 425,000,000 pounds allocated during the corresponding period in 1947–48.

The following table shows in thousands of pounds, the distribution by countries, and type of procurement of the allocations announced today:

Country	Cottonseed oil	Soybean oil	Lard	Total
Cuba	[1] 1,000	[1] 500	[1] 3,000	4,500
Bizone, Germany	[2] 5,500	[2] 8,000	[3] 13,200	26,700
Italy	[1] 6,600	[1] 6,600	[1] 6,600	19,200
Austria	[2] 6,600	[2] 6,600	[4] 4,400	17,600
French zone, Germany	-------	-------	[1] 2,400	2,400
Netherlands	-------	[1] 4,400	-------	4,400
Canada	[1] 6,600	[1] 4,400	-------	11,000
Philippines	[1] 500	-------	-------	500
Uruguay	[1] 880	-------	-------	880
Greece	[2] 2,200	-------	-------	2,200
United States commercial projects abroad	[1] 400	[1] 500	[1] 1,000	1,900
Contingency	[1] 4,720	[1] 4,000	[1] 5,000	13,720
Total	35,000	35,000	35,000	105,000

[1] Commercial.
[2] Production and Marketing Administration.
[3] ½ commercial and ½ Army.
[4] Army.

Mr. MAYBANK. Mr. President, among other things, the export controls aided farmers with respect to our supplies of farm needs, seeds, fertilizers, barbed wire, baling wire, binder twine, jute and burlap bags, and milk cans, have been protected through export controls. If the rest of the world had free access to the United States market, it is clear that farmers would have had to pay more for their supplies and operate with smaller quantities.

Export controls have further benefited farmers by reducing exports of materials they buy in competition with other consumer groups. Examples of these are petroleum products, steel products, electrical equipment, and some machinery, the supplies of which are allocated for export with due regard for the needs of the farmer and other consumers.

For a program that is so complicated; that affects in such a direct way the financial interests of so many exporters; that affects the economic and social welfare of every country in the world; I must say that I, and I believe I speak for the membership of the committee, was impressed with the fact that the complaints and the criticisms were comparatively few and of relatively small consequence. I am confident that with the experience already gained by the Office of International Trade and with the benefit of the review our Subcommittee on Small Business intends to provide, we can look forward with confidence to a, sound intelligent, and efficient administration of this program, which is so important to the welfare and peace of the world.

Mr. TAFT. Mr. President, the pending bill is the first of the bills which continue certain of the controls which were imposed during the war and which have since been continued. Last year, I supported the bill to extend export controls, and I am willing, rather reluctantly, to support the pending bill. I feel very strongly that the general policy of controlling exports and imports is a mistake, that it interferes with foreign trade and with the initiative of men to develop American industry, as well as foreign industry. Whether it is exercised by the Department of Commerce or by the Department of Agriculture, a great deal of red tape is involved in the process. A man who tries to make a contract with somebody abroad to sell him something can be certain he will be able to get a license.

Mr. CONNALLY. Mr. President, will the Senator yield for a question?

Mr. TAFT. I yield to the Senator from Texas.

Mr. CONNALLY. Allow me to say that, in the main, I agree with the Senator in his views, but does he not think there should be an exception made in the case of strategic materials necessary for our security and national defense? We exerted ourselves during the war, and before the war, spending millions of dollars to acquire such materials. The necessity for acquiring them continues.

Mr. TAFT. I do not quite agree as to the Senator's statement regarding strategic materials, because we are dealing with them.

Mr. CONNALLY. I withdraw my agreement to the Senator's general principles, then.

Mr. TAFT. Yes; I understand. I am not going to oppose the enactment of the pending bill, although in the case of strategic materials we are asked this year to give $550,000,000 or more to the Army and Navy for the purpose of enabling them to accumulate the strategic materials they need. I feel sure they certainly are able, by and through the general voluntary allocation power we have given, to get the proper allocation of domestically produced materials.

I merely want to emphasize the fact that the application of controls is a check on the economic development of all countries. I was in Europe in November and December, when, as a matter of fact, international trade hardly existed in the sense even that it exists here, because of the restrictions upon imports and exports being so tight. Every country in Europe is trying to increase its exports and decrease its imports. The controls are so strict that a man in Europe simply cannot buy something where he finds it cheap, and try to sell it where he can make a reasonable profit on the sale, because he is subject to so many restrictions that he simply cannot undertake such an activity. His operations are so involved in restrictions that he cannot do it.

A typical example of the condition may be found in Holland, for instance. The purpose of their controls is to get more goods exported, which is the particular thing they desire to bring about. If one goes to Holland and tries to buy china to take to his home in another country, the people in the stores say, "The restrictions are so great, and it is so difficult, that unless you carry this china in your hand with you, we doubt if we ever can get it to you from here, either to the steamer in France or to the United States." Every country in Europe is operating in a kind

of water tight compartment. I feel very strongly that as soon as we can get rid of that condition, we should get rid of it.

My principal reason for hesitating to oppose the pending bill is our situation with regard to Russia. There may be many things that should not be shipped, not only to Russia, but perhaps to other countries to be reshipped to Russia. So long as that situation exists, I do not like to oppose a bill giving the power, yet I hope the Administration will remove controls from everything possible, everything that does not have some direct bearing on national defense.

I think the first reason given for enactment of the bill is hardly justified, except perhaps as to a very few materials. I refer to the argument with respect to potecting the domestic economy against an excessive drain of scarce materials, and reducing the inflationary impact of abnormal foreign demand. That was a very good reason a year ago. In 1946 there was a total export surplus of approximately $8,000,000,000. We were exporting $8,000,000,000 worth of goods more than we were importing. In 1947 approximately $7,000,000,000 more goods, were exported than were imported. They did not all go to Europe, by any means. In the second quarter of 1947 there was an extraordinary export period in which we exported $13,000,000,000 worth of goods in excess of imports, more than half of it going to countries outside Europe. That particular situation has come to an end rapidly. The truth is, the rest of the world has exhausted the dollars they accumulated during the war. They have exhausted the power to buy goods here and thereby acquire dollars.

The President's Economic Report for January says:

> The only major component of the Nation's economic budget which did not increase between 1947 and 1948 was net foreign investment; it declined from 8.9 billion dollars to approximately 1.8 billion. Net foreign investment represents the portion of our excess of exports over imports of goods and services that is financed by loans and investments and by net liquidation of foreign dollar assets and gold. It does not include the portion financed by grants, gifts and other unilateral transfers made by the United States Government and by private citizens.

So the total export surplus has dropped down from $11,000,000,000 in 1947 to $6,500,000,000 in 1948. In 1949 it is $1,800,000,000, and may well be reduced further. So the situation now is that we are inbalance, except to the extent that under the ECA we finance 5 or 6 billions dollars' worth of exports. Of course, so far as those exports are concerned, the ECA has the power to say what they shall be. It has the power to say whether they shall include short-supply commodities, such as steel. One great difficulty is that persons who wish to export must procure a license from the Department of Commerce, and practically a license from the ECA, so that the ordinary small-business man says, "What is the use? Let us sell this stuff in America and not try to do any export business."

I am willing to vote for the bill, but I do think that the administration should take export controls from everything from which it can possibly remove them. So far as I am concerned, at the present time, except for a few things I think controls should be removed from everything affected by the situation which now exists in relation to Russia.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. TAFT. I yield to the Senator from South Carolina.

Mr. MAYBANK. Is it not the Senator's judgment that the lack of dollar credits and the lack of dollars in Europe will militate against our exports? The only way we can help them at all is through ECA. Is not that correct? The tight economy in Europe is caused by the lack of dollars, or by a limited amount of dollars, perhaps I should say.

Mr. TAFT. It is caused by the fact that today there is no reserve. They have used it. They do not seem to be making articles than can be exported. We are buying more goods in dollars than we have ever bought before in the history of the United States. I think the imports amount to approximately $8,000,000,000 or $9,000,000,00. I have the figures somewhere, but I cannot refer to them at the moment. The large imports result in the rest of the world having $8,000,000,000 or $9,000,000,000 which they can use to buy our goods. It is not as if there were a dearth of dollars. We are doing our share by importing a tremendous amount of goods from all over the world. We are dealing through the ECA. Except for the Russian situation, the question of what shall be exported, it seems to me, might be left to such control as is exercised by the ECA. Persons who are able to do so are selling us goods. The use of pre-existing dollars, which they were using 2 or 3 years ago, is coming to an end.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from South Carolina a question. Before I do so I should like to say that inasmuch as the distinguished Senator from Ohio has expressed generally my views on the bill which is now being considered, it is unnecessary for me to make a statement. I also was in Europe. It was my feeling, when I was there on two or three different occasions, that the Department of Commerce was not sensitive to the impacts of commitments which we had over there, not only those that raised prices but those that lowered prices, and relief was not given in many instances as quickly as it should have been given.

Mr. MAYBANK. That is my understanding.

Mr. WHERRY. The Senator spoke of decontrolling inedible fats. In the Small Business Committee there has been request after request from rendering plants with reference to that subject. There will be a terrific loss of livestock in the Western States where inedible fats can be processed and used. There has been such a quantity that the price of lard, which was as high as $30 a hundred pounds, is already down to $11 a hundred pounds. Now there comes a terrific amount of fats that might be processed as inedible, which should be decontrolled. The question has been taken up with the Department of Commerce time and time again. Today I received a statement from the Department of Commerce. I suppose the Senator from South Carolina is well aware of it. Only this past week an order was issued which will become effective, I believe, today. All the inedible greases and tallows have been completely deallocated and can be shipped without license to any place in the world. Is that correct?

Mr. MAYBANK. I am not certain whether these products can be shipped to any place in the world.

Mr. WHERRY. When was that order issued?

Mr. MAYBANK. When the Senator was absent, last week.

Mr. WHERRY. It was effective yesterday, was it not?

Mr. MAYBANK. Yes.

Mr. WHERRY. I approve the order. The President had the power to delegate authority to the Secretary of Commerce. If that department had been more sensitive to the situation at home, possibly we could haxe exported some of the surplus.

I desire to ask: Is the reason for placing the operation of this proposed legislation in the hands of the Secretary of Agriculture because the Senator feels, or the administration feels, that the Department of Agriculture will be more sensitive to our domestic economy in helping to facilitate exports under decontrol, or vice versa?

Mr. MAYBANK. I cannot answer as to what reason the administration may have. I think it would be better to place the authority in the Department of Agriculture than in the Department of Commerce. When the Department of Commerce had a veto, it was always passing from one Department to the other. The Senator knows my feelings on farm matters. I think this is a step forward.

Mr. WHERRY. That is really the purpose, I take it, for the Secretary of Agriculture's being included under congressional authority to carry out the provisions of the bill. I am not speaking for the administration, but I interpret the administration as feeling that the Secretary of Agriculture is acquainted at all times with the situation and is close to it, and that Department will be more sensitive to the impact on our domestic economy, either of high prices or low prices, and therefore orders will be put into effect probably more quickly than has been done, not only to alleviate shortages but also long supplies.

Mr. MAYBANK. I think the Senator is correct.

Mr. WHERRY. With respect to the orders issued by the Department of Agriculture, I wish to say that, speaking for the Small Business Committee, I feel it is a step in the right direction. Certainly we are going to be confronted with a surplus of fats and oils in the low brackets so that it will hardly pay to transport them unless some provision is made to see that they are sold and something is done to help the producers who

are now going to have such an impact upon them.

Mr. MAYBANK. I may add to what the Senator has said that I brought this matter to the attention of the committee before I was chairman of the committee. I make no criticism of the committee; the matter was handled I think wonderfully well. I am hopeful that there will be no repetition of what has happened.

Mr. WHERRY. One more question.

Paragraph (c) of section 3, the amendment we have been discussing, reads as follows:

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

If the Senator will bear with me and refer to section 2, I should like to ask a question or two about that, especially since the Senator from Ohio has said on the floor that exports could be sent to any country in the world, including Russia. What do clauses (b) and (c) provide?

Mr. MAYBANK. I did not understand the Senator from Ohio to say what the Senator has just repeated.

Mr. WHERRY. Perhaps I am mistaken. I will ask, then, Does this amendment provide that the exports of fats, or whatever the Secretary may determine, exports of items which are decontrolled, can be shipped to any country in the world?

Mr. MAYBANK. Not necessarily.

Mr. WHERRY. What are clauses (b) and (c) on page 2, in section 2, intended to provide? I suppose ECA operates only in the countries which are parties to the program.

Mr. MAYBANK. The Senator is correct.

Mr. WHERRY. What about the other countries, the satellite countries? The Senator remembers the long debate we had one afternoon during the consideration of the ECA bill, when some of us asked whether or not it would be possible to furnish the satellite countries with materials.

Mr. MAYBANK. I may say that when materials are completely decontrolled, so far as I know they can go to any country.

Mr. FLANDERS. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield to the Senator from Vermont.

Mr. FLANDERS. As I understand, clause (b) relates to such conditions as the administration desires to retain control of in connection with American exchange furnished the 16 countries by ECA. It leaves the administration with some control over what that American exchange shall be used for. Clause (c) of course relates——

Mr. WHERRY. It relates to the stock piling, does it not?

Mr. FLANDERS. For instance, suppose we furnish dollars to France, we will say, and France desires to buy a quantity of goods which we do not think are necessary for her recovery. We want to keep control of the dollars.

Mr. MAYBANK. The Senator is correct; we desire to keep control over the dollars.

Mr. WHERRY. I am going further than dollars. I should like to ask either of the Senators whether the Department of Agriculture has control in any way over scarce materials or surplus materials which are sent out of the country without any control at all. Do we say to what countries they shall go?

Mr. MAYBANK. The Senator said "scarce materials." When fats and oils are decontrolled, I do not know any law against that.

Mr. FLANDERS. If a thing is decontrolled, it is decontrolled.

Mr. WHERRY. I understand that, but what I am asking is, even though it is decontrolled, does the Government still have any jurisdiction over it, any right to impose a prohibition in regard to it?

Mr. FLANDERS. No.

Mr. WHERRY. Are we to assume that, in regard to any of the surplus fats and oils, they can be shipped to any country in the world, including Russia.

Mr. MAYBANK. No, I have just reread the release of the Department of Commerce on the decontrol of inedible fats and oils, and I note that they are careful to point out "that existing regulations governing all shipments to Europe remain in effect." In other words shipments of any inedible fats and oils to Russia, or its satellites would still be subject to control. So they are not really completely decontrolled.

Mr. CAPEHART. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. CAPEHART. In clause (c), section 2, page 2, line 10, the language is "to exercise the necessary vigilance over exports from the standpoint of their significance to the national security." That gives the administration the right, if it cares to exercise it, to refuse to ship any fats and oils to Russia or to any other country, if our security might be affected.

Mr. WHERRY. I appreciate the observation made by the distinguished Senator from Indiana. My interpretation of that provision is that it refers to control over dollar exports, and also that it has to do with stock piling in the interest of national security.

I do not know that the question I have raised is very highly important, because certainly in carrying out international responsibilities, no doubt what is covered in the bill will be done. But I go back to the argument made here 2 years ago when the question was asked, What are we to do with these materials; are the satellite countries to get them; are we going to let them finally get to countries which are endangering the peace? We finally get back to the question of peace, and keeping the peace is what ECA is for. It seems to me that when the Government is decontrolling, it should step into the picture and say that fats and oils which are desperately needed across the water shall find their way into the hands of friendly countries under ECA, and others to which we want them to go, and not go to the satellite countries, which might export them to Russia. In view of what Senator Maybank has said I assume this type of control can be maintained.

Mr. MAYBANK. I agree with the Senator.

INTERNATIONAL RELATIONS AND POLICIES

Mr. LANGER. Mr. President, 2 years ago I read into the RECORD a portion of an editorial from the London Economist of August 28, 1945, which warned the victor powers that "There is no other cure for the German sore on the body of Europe than to heal it."

I might say, Mr. President, that the people of the Middle West, and of some States such as New Jersey and California, were vitally interested in what the London Economist of that date had to say. Here was a newspaper which could not possibly be charged with being biased in favor of Germany.

The editorial went on to say in firm and prophetic words:

The conviction that the peace proposal at Potsdam is a thoroughly bad peace is not based on any sentimental softening toward Germany. It is based upon belief that the system proposed is unworkable. It offers no hope of ultimate German reconciliation. It offers little hope of the Allies maintaining its cumbrous controls beyond the first years of the peace. Its methods of reparations reinforce autarchy in Russia and consummate the ruin not only of Germany but of Europe. Above all it has in it not a single constructive idea.

Mind you, Mr. President, this is the London Economist, one of the leading newspapers of England, which says:

Above all it has in it not a single constructive idea, not a single hopeful perspective for the postwar world. At the end of the mighty war to defeat Hitlerism the Allies are making a Hitlerian peace.

Mr. President, I bring up this matter because these prophetic words have merely confirmed the futility of the policies we have been following in central Europe, and the necessity for the American Government now earnestly to reorient its policies on the basis of the obvious truth that "the only way to cure the German sore on the body of Europe is to heal it." It must be clear now to the American people that there can be no hope of peace whatever, until this Government abandons its role of a hate-happy hangman and restores some semblance of sanity to our relation with the vanquished peoples in central Europe.

Mr. President, I know of no more urgent or crucial problem confronting the American people, and crying for solution, than this problem of how we shall abandon the role we are continuing to play in this victor-and-vanquished drama.

Is it not all the more astounding then, Mr. President, to find that on January 20 President Truman in his inaugural address, deliberately omitted—I say it was done deliberately—any reference whatsoever to this crucial problem. Mind you, Mr. President, he omitted it after he had been told by his various military leaders that Germany was our first line of defense in any war with Russia. He omitted it after it had been made plain by the military leaders and by the various leaders of churches that

it was most important to save Germany from communism. President Truman did deal with five specific matters including communism, the United Nations, our programs for world economic recovery, the North Atlantic pact and his "bold new plan" for raising the standards of living of all the freedom-loving people around the world.

Again, Mr. President, let me call attention to the fact that any hope whatever of achieving any constructive solution to the problems involved in putting these five programs into effect is absolutely dependent upon, and inseparable from, our healing of the German sore on the European body politic. But the President did not one single time mention this most important problem during his entire inaugural address.

The President's deliberate omission of any mention of this most pressing problem is obvious for two reasons. The first I shall refer to but briefly, with the intention of dealing with it in great detail in the near future. It is the glaring contradiction between the President's professed desire to raise the standards of living of impoverished freedom-loving peoples around the world and the economic insanity which is involved in the policy he is continuing to pursue in Germany, 3 years after the end of hostilities.

The President cannot reconcile, nor can any Senator on the other side of the aisle reconcile, what the administration has done on the one hand and what it is continuing to do on the other.

For his bold new program he is asking $1,000,000,000 to make available skilled engineering and scientific personnel to undeveloped agrarian peoples. Yet, at the same time, he is spending $1,000,000,000 a year carrying out that murderous blueprint for destruction called the Morgenthau plan, which calls for exactly the opposite policy, namely, for the pastorilization of one of the most highly industrialized nations on earth. Could anything be more savage or moronic, Mr. President, than for this Government to proclaim to the world out of one side of its mouth "a bold new program" for developing the industrial capacity and standards of living of the undeveloped agricultural nations of the world and then, at the same time, to demand that those nations which have become highly industrialized nations, upon which Europe is absolutely dependent even for maintaining a minimum standard of living, be reduced to the agrarian misery which we are professing to alleviate?

This could only happen in an atmosphere where the truth has been suppressed.

Nowhere is the effective suppression of the true facts by American authorities more glaringly obvious than in the continued suppression of the report on German industry prepared by the Collison Commission last summer, at the specific request of the President. This report, along with the Wolfe report and the Humphrey report, also prepared at the request of the President, are still top secrets denied to the American people. They are just as secret, Mr. President, as were some of the agreements I called for a year ago, some of them only in the possession of the President of the United States and of the Department of State, agreements which even the Foreign Relations Committee of this body had not seen up to that time and have not yet seen.

Yet the Collison report clearly proved that if we continue our senseless policy of destruction of German industry, it will take 180,000 man-years to dismantle and reassemble those plants, all at an incalculable cost to the American taxpayers.

Mr. President, there is an even more obvious reason for the President's omission of the German problem from his inaugural address, namely—the President knows only too well that his program for strengthening freedom throughout the world can only be accomplished by the restoration of national and international law among the peoples concerned. He and no one else in the world can do it without the restoration of national and international law among the peoples concerned.

Important as the solution of the economic problems of the world is, it is of secondary importance to the moral and spiritual struggle which we must win. Nowhere is this so important as in the case of the German-speaking peoples. If we are not able to convince them that our American form of government and way of life provide safeguards of human dignity, human decency and human freedom—security for individuals under a system of law that guarantees his rights, not only the war and the peace but the whole cause of human freedom will be lost to communism, in Europe, as well as in Asia.

Mr. President, how are we succeeding in this struggle? Even Mr. Justice Jackson himself, who helped to formulate the procedures under which the War Crimes Trials are being conducted, insists that the most important function of these trials is to show the German people what happened under the savage repudiation of all human values under their own totalitarian regime, and the vast difference between that system of law and our own magnificent system of legal justice.

Are we succeeding in this objective? The record of what has transpired is becoming more contradictory, and more disgraceful to America day by day. The steady deterioration of our attempts to administer American concepts of justice, and to restore a legal basis upon which human dignity and the security of personal rights may be restored in Germany, becomes more of a mockery of our own traditional principles of jurisprudence with every day that passes.

Mr. President, slowly but surely the whole question of what constitutes the legal basis upon which we are carrying out our conqueror's role in Germany becomes more of a frightening enigma. I ask my colleagues on the Senate floor if there is a single one of them who knows just what basis our continuing actions in Germany have in constitutional or international law? I ask them further just people are going to do if they awaken some day to discover that instead of administering our interests and American principles of justice in the occupied countries, we have been playing the role of a hate-happy hangman in violation of the plain mandates of the Constitution, in prostitution of our own standards of justice, in violation of the Hague Convention of 1908, which guaranteed the inviolability of personal rights and property, and in violation of the Geneva Convention's safeguards of the rights and interests of prisoners of war.

Mr. President, these questions are all now pointing up the larger question of just what constitutes the legal foundation upon which we are carrying out our international programs.

Does any Senator know? Does any member of the Committee on Foreign Relations know?

When we look into this matter, we find that the war crimes trials themselves were set up under the authority of the London four-power agreement of August 8, 1945, which set up the Nuremberg trial procedures.

Since then we have been parties to 10 additional trials, which were based on the authority of the Allied Control Council law of December 20, 1945. This Control Council Law No. 10 thus is also derived from the authority of the four-power agreement.

Yet all these procedures have been based on the executive order which authorized Justice Jackson to represent the American people at the Four-Power Conference.

The basis of this Executive order is found in the secret conference which produced the Moscow Declaration in 1943.

These facts become all-important because of the fact that our own Supreme Court has now become divided against itself on the question of similar procedures which have been followed by this Government in the Far East.

On December 16, the International Tribunal which has tried the Japanese war crimes cases was attacked before the Supreme Court by Mr. Walter Logan, of New York, as an illegal creation of this Government. This body was described as a rare creation of the executive branch of our Government and the military authority thereunder, and it was contended that this action was carried out without a treaty, which must be approved by Congress.

This international tribunal was set up by order of General MacArthur, on February 15, 1946, under the authority of the Potsdam Declaration and the Moscow Conference of Foreign Ministers, to which I previously referred.

The confusion which surrounds these issues is best revealed by the tie vote of the Supreme Court on the question of whether it even had the power to hear Mr. Logan's petition. I want every Senator to realize this; and I hope that some Senator on the other side of the aisle will answer it if he can.

Mr. Justice Jackson broke the tie which brought the case before the Court because he admitted that for us to let the convictions of the Japanese stand by a

tle vote, while it would embarrass the United States to review the matter, "would leave a stain on our record in the oriental mind forever."

Mr. Justice Frankfurter further revealed the confusion which continues to mount when he admitted that under our present international agreements:

Something may be illegal and still be international, and so be something over which this court has no jurisdiction.

The ominous prospects for the future, which are being strengthened by every day we let this whole matter go unchecked, are revealed in the Government brief which was prepared on this case, which warns that—

Once it is suggested that American courts may review the judgments of an international court, or pass upon the actions of an international authority's agents, most unhappy consequences can be anticipated in the development of international affairs.

That is the very best that the lawyers for our Government could do in that case.

Mr. President, in spite of the gathering evidence to prove the questionable and dangerous legal basis upon which we are conducting our international relations—evidence which continues to mount—we now find that the President, instead of taking constructive action to review this extremely important matter, has now asked the Senate to get in even deeper by ratifying the Inter-American Charter which was signed by our American representatives at the Bogota Conference last year.

Yet the ranking member of the Senate Foreign Relations Committee, the distinguished senior Senator from Georgia [Mr. GEORGE], has himself become aroused over the legal implications of our international policies.

I want every member on the opposite side of the aisle to reflect upon this. The Senator from Georgia has attacked this Inter-American Charter as "fantastic and ridiculous" and charges that it would violate United States principles of State and municipal rights in the fields of education, labor, and racial matters.

I am delighted to note that the Senator from Georgia is present. I commend him for the fine, honest statement which he made in connection with this agreement of a year ago.

He has declared that he was astonished by the scope of the details of this Charter, which amounted almost "to the detailed regulations of a local police force."

Mr. President, I raise this whole question as to the legal basis for our present international policies at this time because it has become perfectly apparent that if Congress does not now assume full responsibility for investigating this over-all problem, we may find some day that we have acted too late to stop the destruction of our American concepts, principles, and safeguards of justice.

Mr. President, I intend, also at a later date, to go into this whole subject exhaustively. Yet, as proof of the possibility that such prospects lie in store for us, I want again to refer to specific charges that have been made against the administration of justice by the military courts conducted by American authorities in Germany. I wish to call attention to developments that have transpired since I submitted on the Senate floor, last Thursday, January 27, Senate Resolution 39, which calls for an investigation of these charges.

These charges were made by Col. Willis N. Everett, a distinguished American lawyer who had served as defense counsel for the 74 Germans accused in the famous Malmedy case. These charges stated that American investigators at the United States court in Dachau, Germany, used brutal, vicious, Nazi methods to obtain confessions from men who are being hanged by American prison authorities.

In response to these charges, Secretary Royall last spring appointed Justice Gordon Simpson, of the Texas Supreme Court, and Judge Edward Van Roden to investigate these trials. The report of the investigators is contained in a recent article written by Judge Van Roden, appearing in the February issue of The Progressive, which I now ask unanimous consent to have inserted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AMERICAN ATROCITIES IN GERMANY

(By Judge Edward L. Van Roden)

(Edward L. Van Roden, a Pennsylvania judge, served in World Wars I and II, in the latter as Chief of the Military Justice Division for the European Theater where he saw service in Normandy, Belgium, the Rhineland, the Battle of the Bulge, and in the Ardennes. In 1946 he was reassigned to active duty and served on several important court martial trials in Germany. In 1948 Secretary of the Army Royall appointed him to an extraordinary commission charged with investigating the Dachau war crimes program.)

I

American investigators at the United States Court in Dachau, Germany, used the following methods to obtain confessions:

Beatings and brutal kickings.
Knocking out teeth and breaking jaws.
Mock trials.
Solitary confinement.
Posturing as priests.
Very limited rations.
Spiritual deprivation.
Promises of acquittal.

Complaints concerning these third-degree methods were received by Secretary of the Army Kenneth Royall last spring. Royall appointed Justice Gordon Simpson, of the Texas Supreme Court, and me to go to Germany and check up on the reports. Accompanied by Lt. Col. Charles Lawrence, Jr., we went to Munich, Germany, set up offices there, and heard a stream of testimony about the way in which American atrocities were committed.

But first, a bit of the background:

Last spring the Supreme Court refused the habeas corpus petition of Col. Willis N. Everett, Jr., an American lawyer, who had served as defense counsel for the 74 Germans accused in the famous Malmedy case. Everett is a very able lawyer, a conscientious and sincere gentleman. He is not a fanatic.

In his petition, Everett charged that the Germans had not received a fair trial. Everett did not claim that all the German defendants were innocent, but since they did not have a fair trial, there was no way of telling the innocent from the guilty.

The tragedy is that so many of us Americans, having fought and won the war with so much sweat and blood, now say, "All Germans should be punished." We won the war, but some of us want to go on killing. That seems to me wicked.

If Everett's shocking charges were true, they would be a blot on the American conscience for eternity. The fact that there were atrocities by the Germans during the war against Americans, or by Americans against Germans, would not in the least lessen our disgrace if such peacetime atrocities were to go unchallenged.

Our specific assignment was not only to examine Colonel Everett's charges, but also to examine the cases of the 139 death sentences, which at that time remained unexecuted; 152 Germans had already been executed.

The 139 doomed men who were still alive fell into three groups. They were accused of involvement in the Dachau concentration camp crimes, in the killing of American fliers, or in the Malmedy massacres. Let me say that I believe the crimes for which these Germans were tried actually took place, and that some Germans were guilty of them.

But we should not let the indiscriminate hate of all Germans that was generated during and after the war, blind us to the necessity of punishing the guilty ones only.

After this investigation, and after talking to all sides, I do not believe that the German people knew what the German Government was doing. I am convinced the German populace had no idea what diabolical crimes that archfiend, Himmler, was committing in the concentration camps. From the atrocities we learned about, he must have been the very prince of devils.

But as for the Germans at large, they fought the war as loyal citizens with a fatherland to support, and a fatherland to defend.

Some American fliers, shot down on bombing raids over Germany, were killed by Germans civilians. These Germans felt that the American fliers were the murderers of their defenseless wives, mothers, and children who were in the bombed cities—just as the English felt that German fliers were their murderers. That's war.

I felt deeply about these fliers. I had two sons in the Air Force. Jimmy made 35 missions over Germany and returned safe, thank God! Dick made 32 missions and was finally shot down over Italy. He spent 12 months in a German prisoner-of-war camp and was fairly well treated. He is now in a sanitarium in Arizona recovering from TB he contracted in the camp.

II

The Malmedy massacres, in which a group of American prisoners of war were mown down after being captured during the Battle of the Bulge, actually happened. But can't we distinguish between the assertion that these atrocities did happen, and the assertion that they were committed by these 74 Germans who had been in or near Malmedy at that time?

Because some wicked, sadistic German individuals did it, are we doing the right thing by saying any and all Germans we lay our hands on are guilty and should be destroyed? I personally don't believe that. That's not the way of thinking I learned in my church, or you learned in your church.

On Russian insistence, the Americans couldn't retry these men. The Russian philosophy in these matters is that the investigators determine the guilt or innocence of the accused, and the judge merely sets the sentence. We accepted the Russian formula of no retrial, but we won out on the presumption of innocence before trial.

The American prohibition of hearsay evidence had been suspended. Second- and third-hand testimony was admitted, although the Judge Advocate General warned

against the value of hearsay evidence, especially when it was obtained, as this was, two or three years after the act.

Lieutenant Colonel Ellis and Lieutenant Perl of the prosecution pleaded that it was difficult to obtain competent evidence. Perl told the court, "We had a tough case to crack and we had to use persuasive methods." He admitted to the court that the persuasive methods included various "expedients, including some violence and mock trials." He further told the court that the cases rested on statements obtained by such methods.

The statements which were admitted as evidence were obtained from men who had first been kept in solitary confinement for 3, 4, and 5 months. They were confined between four walls, with no windows, and no opportunity of exercise. Two meals a day were shoved in to them through a slot in the door. They were not allowed to talk to anyone. They had no communication with their families or any minister or priest during that time.

This solitary confinement proved sufficient in itself in some cases to persuade the Germans to sign prepared statements. These statements not only involved the signer, but often would involve other defendants.

III

Our investigators would put a black hood over the accused's head and then punch him in the face with brass knuckles, kick him, and beat him with rubber hose. Many of the German defendants had teeth knocked out. Some had their jaws broken.

All but two of the Germans, in the 1939 cases we investigated, had been kicked in the testicles beyond repair. This was standard operating procedure with American investigators.

Perl admitted use of mock trials and persuasive methods including violence and said the court was free to decide the weight to be attached to evidence thus received. But it all went in.

One 18-year-old defendant, after a series of beatings, was writing a statement being dictated to him. When they reached the sixteenth page the boy was locked up for the night. In the early morning Germans in nearby cells heard him muttering, "I will not utter another lie." When the jailer came in later to get him to finish his false statement he found the German hanging from a cell bar, dead. However, the statement that the German had hanged himself to escape signing was offered and received in evidence in the trial of the others.

Sometimes a prisoner who refused to sign was led into a dimly lit room, where a group of civilian investigators, wearing United States Army uniforms, were seated around a black table with a crucifix in the center and two candles burning, one on each side. "You will now have your American trial," the defendant was told.

The sham court passed a sham sentence of death. Then the accused was told, "You will hang in a few days, as soon as the general approves this sentence; but in the meantime sign this confession and we can get you acquitted." Some still wouldn't sign.

We were shocked by the crucifix being used so mockingly.

In another case, a bogus Catholic priest (actually an investigator) entered the cell of one of the defendants, heard his confession, gave him absolution, and then gave him a little friendly tip: "Sign whatever the investigators ask you to sign. It will get you your freedom. Even though it's false, I can give you absolution now in advance for the lie you'd tell."

Our final report on these trials has been turned over to Secretary of the Army Royall. In spite of the many instances like those I have described, we found no general conspiracy to obtain evidence improperly. With the exception of 29 cases, we saw no reason why the executions should not be carried out. For the 110 others, there was sufficient competent evidence obtained from other sources to warrant the death penalty, exclusive of the evidence obtained by the third degree.

The 29 men whose sentences we recommended for commutation certainly did not have a fair trial by American standards. Twenty-seven of them were to have their terms reduced to life, one of them was to get 10 years, and one would get two and one-half years, acording to our recomendations. We also recommended a permanent program of clemency for reconsideration of the sentences of other prisoners convicted in war crimes cases.

Secretary Royall has saved our national conscience. Could we as Americans ever have held our heads up, if he hadn't looked into it? He has saved our national prestige and our international reputation.

However, in spite of Secretary Royall's action in this matter, there is little real room for complacency on the part of Americans. Rather our report reveals, by implication, that we still have a serious situation in Germany to clear up. Moreover, five of the men for whom we recommended commutations have been hanged since we turned in our report. In all, 100 of the 139 we set out to investigate are now dead.

IV

The American investigators who committed the atrocities in the name of American justice and under the American flag are going scot free.

At this point there are two objectives which should be aimed for:

1. Those 39 prisoners whose death sentences have not been commuted and who have not yet been hanged should be saved, pending full judicial review.

2. American investigators who abused the powers of victory and prostituted justice to vengeance, should be exposed in a public process, preferably in the United States, and prosecuted.

Unless these crimes committed by Americans are exposed by us at home, the prestige of America and American justice will suffer permanent and irreparable damage. We can partially atone for our own misconduct if we first search it out and publicly condemn and disavow it. If we wait for our enemies to blazon our guilt abroad, we can only bow our heads in shamed admission.

Mr. LANGER. Mr. President, suffice it to say, these findings were accompanied by recommendations for clemency and judicial review of 29 cases because of the third-degree methods used by the American prosecutors, a fact which has been admitted by a certain Lieutenant Perl, one of the prosecutors, as the article states.

In all fairness, let us also admit that certain Americans connected with the trials have protested that these charges are not true and are demanding the right to answer them, as the distinguished Senator from Connecticut [Mr. BALDWIN] pointed out on the Senate floor on January 27.

In other words, Mr. President, this is a general statement of developments in this particular matter up to last Thursday. In spite of the gravity of these charges, neither the accusers nor the accused nor the victims have been able to have a chance to present the facts or to justify their own actions before an impartial court of review.

Yet since then events have transpired which make action by this body all the more imperative if we are to see that American concepts of justice are not to become an international disgrace.

It now develops that the Protestant churches of this country have become so aroused that, on January 19, Dr. Franklin C. Frye, president of the United Lutheran Church, and Dr. Samuel Cavert, of the Federal Council of Churches, visited the Attorney General, seeking to expedite a review of these charges. They were informed, however, that while the Department of Justice admitted responsibility for the general procedures under which these trials are being conducted, it would not accept any responsibility for specific procedures subsequently conducted, and that complete jurisdiction lay in the hands of the military.

Then, Mr. President, on January 29, 2 days after I submitted my resolution, a Democratic Senator and two Members of the House of Representatives visited Secretary Royall and obtained a 60-day reprieve for 12 of the German soldiers condemned to death in these trials. According to the Detroit Times, these legislators "protested bitterly that the executions would be a blot on American justice before the entire world and might vitally affect international relations with European countries."

Yet, Mr. President, it further develops that General Clay has also acted, granting Colonel Everett 30 days more in which to bring his petition for review before the International Court at the Hague. Such action is a direct and deliberate evasion of the recommendations of the investigating committee appointed by Secretary Royall that the whole procedure be reviewed by American courts.

Now, Mr. President, in spite of all the promises and recommendations of the authorities, we learn that last Wednesday six more Germans were hung at Landsburg prison.

Mr. President, a man who is determined to see justice done, and who is determined above all else to preserve the integrity and the principles upon which our whole American system of jurisprudence depends, cannot let this continuing outrage go unchallenged. Where there is so much smoke, there must be a fire raging. If these fires are destroying innocent victims, it is an international crime. If these fires are destroying the reputation and injuring the character of American personnel, who have been entrusted with carrying out these orders, it is a national disgrace. If the military authorities continue to insist on ignoring their promises, or evading the full responsibility for what has happened by diverting review of this matter to an international court, they insult our whole American judicial system and flaunt their power in the face of Congress itself.

Mr. President, I am pleading now for an American investigation of this whole tragic affair, because as matters have developed, it becomes more and more apparent that unless Congress now steps into the picture and puts its full power into a determined effort to clear up not only this affair but the whole question of the legal basis upon which we continue to administer occupied countries, we may be found guilty, in the course of the pass-

ing years, of having permitted, by our silent acquiescence, the destruction of constitutional and international law, upon which our future as a free people is absolutely dependent.

In closing, Mr. President, I feel it my duty to call the attention of the members of the Senate and the attention of the American people to additional evidence of the vengeful spirit which only hate-happy hangmen would exhibit as representatives of the American people in the administration of justice.

I offer this information because I believe it reveals the extent to which hate has gripped many of those who are carrying on American interests, a hatred which breeds only hatred, which prolongs and intensifies mutual jealousies, bitterness, and a burning desire for revenge—hatred which goes even so far as to despoil the graves of victims of its own perverted delight. In saying this, Mr. President, no one is more determined than I to see stern justice meted out to those who have been guilty of indescribable crimes against humanity. But I cannot forget the greatest heights that have ever been reached by an American statesman, when Abraham Lincoln pleaded in his Second Inaugural Address for justice administered "with malice toward none, with charity for all."

Mr. President, I am about to read from a letter written to General Clay on December 6, 1948, by Johann Neuhausler, Catholic auxiliary bishop of Munich. Mr. President, if the other Members of the Senate read nothing else of what I have to say at this time except this letter, I shall be satisfied. The letter reads as follows:

DEAR GENERAL: I would like to call to your attention two deplorable incidents which have happened at Landsberg.

On December 2, the guards tore down the Christmas wreaths, which the prisoners had put up in their cells, and kicked them to bits.

I was astonished to hear this because I never experienced anything like it or so shocking during the 4 years, and Christmas I spent as prisoner at the concentration camp at Dachau. There the Christmas wreath was never taken from us.

The second matter is much more important. In recent weeks in the Spoettinger graveyard, near Landsberg, the crosses and tablets with the names of those buried there were taken away. The graves of those are the graves of men executed at Landsberg. In the place of the crosses little tablets with the numbers of the prisoners were put up.

Even if one actually believes that after death, even the names of the condemned men must be wiped out, it is still incredible, from the Christian standpoint, to take away from them the cross that priestly hands have put over them with the words: "May the Cross of our Lord and Saviour, Jesus Christ, who has redeemed you in this sign, be shown above you. Peace be with you."

When the church speaks over such graves these words of grace for law-breakers, it only follows the example of its founder who promised paradise to a sinner on the cross. And on His grace we are all dependent.

Formerly, when the Nazis tore down the crosses in graveyards, as at Munich, Catholic men and women rose up and put the crosses back in spite of all danger. Priests were sent to concentration camps for many years for doing this, for instance, Father Martin Rohrmeier of Affertig.

Christians of many professions see also in the removal of the crosses from the graves, a contempt of the cross itself and a violation of the dead. These Christians will not and cannot be silenced, so deeply do they resent and condemn what was begun by the Nazis.

I am sure that the general will condemn this behaviour of the prison authorities at Landsburg and will order restoration of the crosses at once.

(Signed) JOHANN NEUHAUSLER,
Auxiliary Bishop of the Catholic Diocese of Munich.

In conclusion, Mr. President, I say when administrators of American justice have to stoop to these levels to wreak their hate and vengence even on the dead, it is time the American people demanded to know if this is what American justice has come to be, so grand a name for so mean a thing.

So I say once more, Mr. President, the resolution offered last Thursday by the distinguished Senator from Connecticut and the resolution I offered on the same day deserve favorable consideration by the Senate, so that the American people may know once and for all whether the charges made by Lutheran and Catholic, the charges made by Judge Simpson and Judge Van Roden, two men appointed by the President, are true or whether they are false.

REGULATION OF EXPORTS

The Senate resumed the consideration of the bill (S. 548) to provide for continuation of authority for the regulation of exports, and for other purposes.

The PRESIDING OFFICER. The committee amendments will be stated.

The first committee amendment was, in section 2, on page 2, in line 9, after the word "and", to strike out "fulfill" and insert "to aid in fulfilling," so as to make the section read:

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

The amendment was agreed to.

The next committee amendment was, in section 3, subsection (a), on page 2, in line 21, after the word "financing", to strike out "carriage" and insert "transporting"; and on page 3, after line 2, to insert the following:

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

So as to make the section read:

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

The amendment was agreed to.

The next committee amendment was, in section 4, subsection (a), on page 3, in line 15, after the word "department" to insert a comma, and after the word "agency" to insert a comma and "or official"; and in subsection (b), on page 4, in line 5, after the word "agency", to insert a comma and "or official", so as to make the section read:

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this act.

The amendment was agreed to.

The next committee amendment was, in section 6, subsection (a), on page 5, in line 4, after the word "court", to insert "of the United States"; and in subsection (c), in line 17, after the word "department", to insert a comma and "or official", so as to make the section read:

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application shall have jurisdiction to issue an order requiring such per-

son to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

The amendment was agreed to.

The next committee amendment was, in section 8, on page 6, in line 7, after the word "agency", to insert a comma and "or official", so as to make the section read:

QUARTERLY REPORT

SEC. 8. The head of any department or agency, or official exercising any functions under this act shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder.

The amendment was agreed to.

The next committee amendment was, in section 11, on page 7, in line 5, before the word "regulations", to insert "rules", so as to make the section read:

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this act.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. BUTLER. Mr. President, in my judgment, the time has come to take off all limitations and restrictions on exports of agricultural products, except those necessary from the point of view of our national security and our diplomatic position.

On the basis of our experience during the last few months with the administration of these controls on exports, they have been used to a large extent to beat down the prices of many of our principal agricultural products. During the last few days in particular, the cattle market has been in a tailspin. All the grain markets generally have been falling further, and the fats and oils have suffered worst of all. The price of lard has actually fallen to a point lower than at any time since 1942. In the face of these facts, the administration is still holding down sale of our surpluses to foreign markets of most of these products.

In section 2 of this bill, the declaration of policy under (a), it is stated that the purpose of the bill is "to reduce the inflationary impact of abnormal foreign demand." Translated into plain language, I presume that means that it is the purpose to push down the prices of the controlled commodities. Certainly that is what has been done, very effectively. A manipulation of these controls has pushed the price of lard down almost to prewar prices. Apparently some administration officials feel that the cure for inflation is to push farm prices down to prewar levels. That policy simply will not work today. It is out of the question for the farmer to operate on the basis of prewar prices for the products he produces when his living costs, his costs of operation, his hired man, and everything else he must pay have gone up about double and have stabilized at a new high level.

On the side of agricultural prices there is no longer a problem of inflation. The real problem is deflation. That has been true for some months, and it is more true than ever today. Apparently many officials of this administration do not realize that fact.

The distinguished chairman of the committee, the Senator from South Carolina, has said frankly that in his judgment the controls on fats and oils have been miserably handled. Certainly that is the case. Although controls have been taken off the inedible fats and oils, our exports of edible fats, such as lard, are still under control in spite of the extreme slump in the markets. Under these circumstances, I cannot see why our Government should continue to restrict our export outlets. If we do extend this authority, we can only expect that the controls on lard and other agricultural products will continue to be "miserably handled," as the distinguished Senator has put it.

The PRESIDING OFFICER. If there are no further amendments, the question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JOSEF CARDINAL MINDSZENTY

Mr. O'CONOR. The expected has happened. True to their predetermined plan the Communist government of Hungary has imposed a sentence of life imprisonment on Josef Cardinal Mindszenty. His "crime" was that he remained true to his convictions and refused to be intimidated by oppressors who are bent upon spreading the doctrines of Soviet Russia.

The sentence is worse than death. The tortures, to which this helpless individual has been subjected, will now be continued.

Of course, the individual considerations of any one person, serious though they may be, might not be of world-wide importance. But, in this instance, the real issue is not one man. No better description of it could be given than in the words of the reverend Chaplain of the Senate, Rev. Frederick Brown Harris, when he said:

This fight is not just between Roman Catholicism and communism. It is between a godless communism and any type of Christianity worthy of the name.

We protest this outrageous treatment of an outstanding religious leader. If allowed to remain unchanged, it offers proof that conditions behind the iron curtain are abhorrent to American concepts. Because it is the climax of continued and uninterrupted persecution and oppression of free institutions, it stamps Communist leaders everywhere, taking orders from Moscow, as determined to uproot the basic principles from which democracy springs.

Most significant is the statement made today by the so-called judge in imposing the sentence on Cardinal Mindszenty. This morning in citing three alleged extenuating circumstances in the case, he specified one, as follows:

The United States through its Minister here, Selden Chapin, made him (the Cardinal) hope that the United States of America would start a war and this war would help him attain his aims.

That is an excellent sample of the integrity, the truth, and the justice of this disgraceful court. The news dispatches declare that the presiding judge severely criticized the United States for meddling in Hungarian affairs. Such criticism is praise, indeed. America will continue to cry out in protest against godless men who are engaged in a vain effort to abolish religion from the hearts of men.

I respectfully urge that the State Department, voicing the feelings of the American people as revealed so definitely these past few days, convey to the Hungarian Government the sense of outrage and shock which has been the reaction of the American people to the arrest and trial of Cardinal Mindszenty.

I urge that the State Department present as vigorously as possible to the representative of the Hungarian Government the conviction that immense good could be accomplished toward the improvement of relations between Hungary and the United States if this sentence of life imprisonment could be suspended.

TWO-YEAR CRUSADE—BOY SCOUTS OF AMERICA

Mr. KNOWLAND. Mr. President, one of America's great agencies, the Boy Scouts of America, which operates under a Federal charter granted by Congress, is this week observing its thirty-ninth anniversary. Since it was founded, in 1910, over 15,500,000 Americans have been members, a segment of our population large enough to exert a real impact on our national life. The Boy Scouts of America are inaugurating what they term a 2-year crusade, under the slogan Strengthen the Army of Liberty.

The purpose of this campaign is to stimulate a better understanding of the principles of liberty and democracy, symbolized by the great Statue of Liberty in New York Harbor, and specifically to give training to boys in citizenship and those vigorous qualities of character which we like to believe are typically American.

The Boy Scouts of America have announced that as an appropriate celebration of their fortieth anniversary next year they proposed to present to America by the end of 1950 a Scout movement surpassing in its outreach and program anything that has been previously achieved.

I am sure that all American citizens will wish the Scouts well in this ambitious undertaking. I hope that Members of the Senate will go further, and lend our support and leadership to them, both in our home communities and on a national basis.

SPECIAL SMALL BUSINESS COMMITTEE

Mr. LUCAS. Mr. President, yesterday the distinguished minority leader submitted a resolution which he requested be referred to the Committee on Rules and Administration. The resolution dealt with small business. The Chair held that the resolution should be referred to the Committee on Banking and Currency, from which ruling the able Senator from Nebraska took an appeal. At the close of the morning hour we were still debating that appeal. It is now on the table, as I understand the parliamentary situation, and I should like to move that the Senate proceed further to consider the matter.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. WHERRY. Mr. President, it is unnecessary for the majority leader to move to bring up the resolution. If he wants to consider it at this time, I should be glad to grant consent. I have already stated to the majority leader that I wanted to work with his program, as I understood it. As I understand the situation, a vote was not taken and the resolution is now at the desk or on the table, and has the same status as would a bill. It can be raised by unanimous consent or by a motion. Is that correct?

The VICE PRESIDENT. It is on the calendar. It may be taken up either by motion or by unanimous consent.

Mr. WHERRY. Yesterday we considered the resolution offered by the Senator from California [Mr. KNOWLAND] and this subject was the unfinished business. I do not wish to delay the proceedings. I should be glad to grant unanimous consent to proceed to debate and a vote on the appeal.

Mr. LUCAS. I appreciate the courtesy of the Senator from Nebraska, and I ask unanimous consent for the Senate to proceed to the consideration of the appeal from the ruling of the Chair taken by the Senator from Nebraska.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The Senator from Illinois made a motion that the appeal be laid on the table. That went over with the resolution.

Mr. LUCAS. I will withdraw that.

Mr. WHERRY. Does it require unanimous consent to withdraw a motion to lay on the table?

The VICE PRESIDENT. No, it does not, no action having been taken.

Mr. LUCAS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Byrd	Douglas
Anderson	Cain	Eastland
Baldwin	Capehart	Ecton
Brewster	Chapman	Ellender
Bricker	Chavez	Ferguson
Bridges	Connally	Flanders
Broughton	Cordon	Frear
Butler	Donnell	George
Gillette	Lucas	Russell
Gurney	McCarthy	Saltonstall
Hayden	McClellan	Schoeppel
Hendrickson	McFarland	Smith, Maine
Hickenlooper	McGrath	Smith, N. J.
Hill	McKellar	Sparkman
Hoey	McMahon	Stennis
Holland	Magnuson	Taft
Humphrey	Malone	Taylor
Hunt	Martin	Thomas, Okla.
Ives	Maybank	Thomas, Utah
Johnson, Colo.	Miller	Thye
Johnson, Tex.	Morse	Tobey
Johnston, S. C.	Mundt	Tydings
Kefauver	Murray	Vandenberg
Kem	Myers	Watkins
Kerr	Neely	Wherry
Kilgore	O'Conor	Wiley
Knowland	O'Mahoney	Williams
Langer	Pepper	Withers
Lodge	Reed	Young
Long	Robertson	

The VICE PRESIDENT. Eighty-nine Senators having answered to their names, a quorum is present.

The question is on the appeal of the Senator from Nebraska [Mr. WHERRY] from the ruling of the Chair referring his resolution, Senate Resolution 55, to the Committee on Banking and Currency.

Mr. LUCAS. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. LUCAS. Mr. President, before the vote on the question now pending I desire to address the Senate briefly in reply to the argument that was made by the distinguished minority leader [Mr. WHERRY] yesterday.

I think it goes without saying that the distinguished Vice President, in his answer to the able Senator from Nebraska, said all that could be said with respect to the merits of the controversy pending before the Senate at this time. The sole question is whether or not the Senate will approve the position taken by the Chair in referring Senate Resolution 55 to the Committee on Banking and Currency, or will sustain the appeal from the decision of the Chair, which would mean that Resolution 55 would be sent to the Committee on Rules and Administration.

Any Senator who has carefully examined the Reorganization Act, and studied the jurisdiction of the various committees which are created by the Reorganization Act, must reach the conclusion that the Committee on Rules and Administration has no jurisdiction whatsoever of the subject matter of Senate Resolution 55. In my judgment the Committee on Rules and Administration is the last committee of the Senate which has any jurisdiction over the subject matter contained in the resolution. I agree with the able Senator, and agree with the position taken by the distinguished Vice President, that many committees do have jurisdiction over some of the questions which are involved in the problems of small business, but by and large, when consideration is given to all the bills which have been referred to the Banking and Currency Committee with respect to finance, the allocation of materials, controls, and all other similar questions, obviously this resolution must go to the Committee on Banking and Currency if it is to be decided strictly upon a legal basis.

Mr. BALDWIN. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I am delighted to yield.

Mr. BALDWIN. I have been following the distinguished Senator's argument for the past 2 or 3 minutes, and I ask him if the issue is not whether the problem of small business is of such consequence and importance in our country today, by reason of a number of different factors, that it warrants the creation of a special, separate committee. That being the case, it seems to me it is not a question of whether the particular subject to be dealt with by the committee falls under the jurisdiction of the Committee on Banking and Currency, but rather, it is an administrative question. That is, in the organization of the Senate, in order for the Senate to carry on its business, is not the problem of the small-business man so important that it warrants being dealt with through the services of a special committee? Is not that really the issue?

Mr. LUCAS. I would not agree with the Senator from Connecticut that that is the issue so far as the pending question is concerned.

I do not want to be misunderstood, Mr. President, with respect to my interest in small business. Members of the Senate will recall that the Senator from Illinois, before the Reorganization Act came into being, was chairman of the Committee to Audit and Control the Contingent Expenses of the Senate of the United States. As chairman of the Senate Committee to Audit and Control the Contingent Expenses of the Senate from 1941 through 1946 it became my duty to pass upon the amount of funds to be allotted to carry on the activities of the Small Business Committee during that year.

Mr. BALDWIN. Will the Senator yield at that point?

Mr. LUCAS. Let me finish, please. From 1941 to 1946, as chairman of the Committee To Audit and Control the Contingent Expenses of the Senate, I saw to it that $380,000 was appropriated by the United States Senate to carry on the activities and the functions of the Small Business Committee. The distinguished Senator from Nebraska [Mr. WHERRY] at that time was a minority member of that committee, and we worked together with respect to the amount of funds that we believed to be necessary in order for the Small Business Committee to carry on in an efficient manner.

Mr. President, I relate the early history of the Small Business Committee created in the United States Senate so that the Senate and the country may know that the Senator from Illinois is just as interested in finding a way here in the Senate to help small business, as is any other Senator. But what I am arguing today is not that question at all. I am merely presenting the argument before the Senate with respect to the wording of the resolution which is before us; and the merits or the demerits of the Small Business Committee have nothing to do with the parliamentary situation with which the Senate is now confronted.

Let me say a word, Mr. President, with respect to parliamentary law and pro-

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1st Session } { No. 66

CONSIDERATION OF H. R. 1661

FEBRUARY 10, 1949.—Referred to the House Calendar and ordered to be printed

Mr. SABATH, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 97]

The Committee on Rules, having had under consideration House Resolution 97, report the same to the House with the recommendation that the resolution do pass.

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House Calendar No. 11

81ST CONGRESS
1ST SESSION

H. RES. 97

[Report No. 66]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1949

Mr. SABATH, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments

as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

House Calendar No. 11

81ST CONGRESS
1ST SESSION

H. RES. 97

[Report No. 66]

RESOLUTION

Providing for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes.

By Mr. SABATH

FEBRUARY 10, 1949

Referred to the House Calendar and ordered to be printed

in the RECORD in two instances and include extraneous matter.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Arkansas [Mr. GATHINGS] is recognized for 15 minutes.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

RADIO BROADCAST

Mr. GATHINGS. Mr. Speaker, on Monday of this week, while driving down to the office, it was my privilege and pleasure to tune in on one of the finest radio broadcasts that I have ever listened to. I thought that the choice of words, and the manner of presentation of this speaker, as well as the subject matter, should be brought to the attention of this body and given wide publicity.

On arriving at my office I called the broadcasting station and asked to speak to the gentleman who had spoken over the air. I asked him for a copy of his remarks, and he gladly sent it to me.

I would like to read it to you at this time:

THE ATTRACTIVE MAN FROM GALILEE

(By Rev. Glendale Burton, minister, Wilson Boulevard Christian Church, of Arlington, Va.)

Jesus of Nazareth is the greatest personality ever to appear in the arena of human activity and play His part on the stage of life. No man equals Him in depth of character, breadth of soul, width of interest, or height of influence. He is the most outstanding individual who has ever trodden the dusty highways of life, or trudged up the steep, jagged hillsides of earth.

Jesus Christ of Nazareth is the Great Central Figure of all time. He divides history in two parts—B. C. (Before Christ) and A. D. (in the year of our Lord).

It staggers the imagination to realize that a child could be born in an humble home; that home to be situated in an obscure hamlet, that hamlet to be located in a very insignificant small country less than the size of the State of Maryland; and yet from that humble home, obscure village, and small country should come One, the impact of whose personality should change the whole course of history, revolutionize philosophy, upset governments, revitalize religion, and transform men.

He was born in a conquered province of the Roman Empire held by the iron fist of military power, subject to the yoke of a slave—yet Jesus became the great Emancipator, setting free every man and woman of Adam's race.

He was born of a woman of lowly estate, living in the most despised city, Nazareth, from which "no good ever came." But He became the Fountainhead of all goodness.

He was born in a borrowed manger in the little town of Bethlehem. His father was an humble carpenter; but he instilled in his Son the creative genius of building, not a material house, but of constructing a new mansion of human beings called the Kingdom of Heaven. He lived but a brief 33 years. He was despised, lowly, and ignoble. Caesar ruled a great earthly kingdom, but he did not know that One would arise and found a kingdom greater in territory, wider in scope, infinitely richer in purpose which would endure when the stateliest of monuments and costliest palaces of the Roman Empire should crumble in the dust of oblivion.

He was not a general, yet He was to become the Conqueror of the world—not through the brutality of force but by the breadth of His mighty love.

He traveled little confining His activity to Palestine, a country 45 miles wide and 100 miles long. He possessed no means of high-powered propaganda. There were no railroads, no steamships, no airplanes, no newspapers, magazines, printing presses, radio, or television.

He possessed no influential name, no wealth or position. He had neither training nor education, except that which He acquired at His mother's knee, in His father's carpenter shop, or in the humble village synagogue. He lived and moved among the common people. When He died they placed Him in a borrowed tomb. The estate He left was only a seamless robe which had been the gift of a friend.

He was not a doctor, yet He healed the sick, opened blind eyes, unstopped deaf ears, cleansed the lepers, and raised the dead. He was not a lawyer, yet He knew the law and interpreted it and applied it to the relationships which should prevail among men. He became the fountainhead of righteousness, and His principles are becoming more and more lodged in the hearts and consciences of men. He was not an author. He wrote no books, composed no poems, compiled no documents, edited no papers, contributed to no periodicals. The only sentence He ever wrote was a line in the sand which disappeared the same day.

No letter of it was preserved. He never used a fountain pen or a typewriter. We have no line, word, or syllable from His hand yet more books have been written about Him and His words than of any other man or group of men. He has affected the life of more people than all the authors of all the ages. The story of His life has been translated into more than 1,100 languages, read by countless millions, and is the best selling story every year.

He was not an orator, yet, "no man spake as this man." His discourses have become the theme of thousands of addresses. His thoughts are simple and clear. Very few adjectives are used—yet each sentence abounds with beauty, meaning, and grace. His sayings are hammered into polished marbles, chiseled into imperishable granite, wrought into enduring bronze tablets, written in stained glass windows of numberless churches, fashioned in rich mosaics upon temple walls and set in arch domes of colossal cathedrals. They have been burned eternally into the hearts of the truly redeemed who down through the centuries have found comfort, relief, and healing. His words are literary gems. He stands without a peer in the literary field. Shakespeare, Milton, and Emerson must bow their heads in His presence, recognizing a superior. He used every form of speech without diluting the thought or overornamenting the truth. He was not a poet, yet He has inspired thousands of poets to utter their most sublime expressions.

He was not a musician; yet He inspired Mozart, Mendelssohn, Handel, and others. But for Him the great Christian hymns should have remained unwritten. He inspired Lowell Mason in "Nearer My God to Thee," Toplady in "Rock of Ages," Watts in "When I Survey the Wondrous Cross," Charles Wesley in "Jesus Lover of My Soul," and thousands of others.

He was not an artist or a sculptor or a painter. He was a stranger to the canvas; yet He was the inspiration for Raphael, Michelangelo, Hoffman, and others.

He was not an architect, contractor, or builder. He was a Galilean carpenter—a maker of wooden plows and ox yokes; but He has inspired the noblest, most marvelous architecture known to man. He specialized in character engineering—making men human masterpieces. He took Peter "The big fisherman" and made a saint. He took Saul and made a Paul.

He was not a statesman. He never aspired to official position. He never delved into politics; but He did found a kingdom—the Sermon on the Mount was His constitution. His principles dethrone error, oppression, and tyranny.

At this hour we adore Him;
Beloved Personality,
Lover of the Poor,
Healer of the Sick,
Matchless Teacher,
Incomparable Philosopher,
Ideal of Ideals,
King of Kings;
But beyond all of this, Glorious Saviour.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. SANBORN, for 1 week, on account of official business.

ADJOURNMENT

Mr. LYLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 10 minutes p. m.) under its previous order, the House adjourned until Monday, February 14, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

198. A letter from the Chairman, Commission on Organization of the Executive Branch of the Government, transmitting the Commission's report on personnel management (H. Doc. No. 63); to the Committee on Post Office and Civil Service and ordered to be printed, with illustrations.

199. A letter from the Secretary of the Interior, transmitting a report and findings on the feasibility of the installation of additional generating capacity at Grand Coulee Dam, Columbia Basin project, Washington (H. Doc. No. 64); to the Committee on Public Lands and ordered to be printed.

200. A letter from the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the Secretary of the Air Force to establish land-based air warning and control installations for the national security, and for other purposes"; to the Committee on Armed Services.

201. A letter from the Acting Secretary of the Navy, transmitting a report of the proposed transfer of a motor barge to the central Atlantic area council of the Young Men's Christian Associations for the boys' training camp at Andover, Sussex County, N. J.; to the Committee on Armed Services.

202. A letter from the Secretary of the Interior, transmitting a report and findings on the Solano County project in the Central Valley Basin of California (H. Doc. No. 65); to the Committee on Public Lands and ordered to be printed, with illustrations.

203. A letter from the Secretary of the Interior, transmitting a draft of a proposed bill to amend section 2 of the act of April 28, 1904 (33 Stat. 537, 43 U. S. C., sec. 213), relating to additional homestead entries; to the Committee on Public Lands.

204. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 3, 1948, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Mississippi River at Alma, Wis., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 66); to the Committee on Public Works and ordered to be printed, with one illustration.

205. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 26, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on the Mississippi River between Missouri River and Minneapolis, with a view to harbor improvement in the vicinity of Hannibal, Mo., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on May 10, 1945 (H. Doc. No. 67); to the Committee on Public Works and ordered to be printed, with one illustration.

206. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated June 28, 1948, submitting a report, together with accompanying papers and an illustration, on a review of reports on waterway from Pamlico Sound to Beaufort Harbor, N. C., via Core Sound, in the vicinity of Marshallberg, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 1, 1946 (H. Doc. No. 68); to the Committee on Public Works and ordered to be printed, with one illustration.

207. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 13, 1948, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of Scarboro River, Maine, between Prouts Neck and Pine Point, authorized by the River and Harbor Act, approved on March 2, 1945 (H. Doc. No. 69); to the Committee on Public Works and ordered to be printed, with one illustration.

208. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated September 27, 1948, submitting a report, together with accompanying papers and two illustrations, on a review of reports on St. Petersburg Harbor, Fla., with a view to further improvement of Bayboro Harbor, requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on June 27, 1945 (H. Doc. No. 70); to the Committee on Public Works and ordered to be printed, with two illustrations.

209. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 26, 1948, submitting a report, together with accompanying papers and an illustration on a preliminary examination and survey of Mississippi River at Prairie du Chien, Wis., authorized by the River and Harbor Act, approved on March 2, 1945 (H. Doc. No. 71); to the Committee on Public Works and ordered to be printed, with one illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. COX: Committee on Rules. House Resolution 95. Resolution for consideration of House Joint Resolution 84, joint resolution to provide for the acquisition and operation of the Freedom Train by the Archivist of the United States, and for other purposes; without amendment (Rept. No. 62). Referred to the House Calendar.

Mr. McSWEENEY: Committee on Rules. House Resolution 96. Resolution for consideration of H. R. 2402, a bill to extend the office of the War Assets Administrator and the War Assets Administration from February 28, 1949, until June 30, 1949; without amendment (Rept. No. 63). Referred to the House Calendar.

Mr. VINSON: Committee on Armed Services. H. R. 1437. A bill to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes; with an amendment (Rept. No. 64). Referred to the Committee of the Whole House on the State of the Union.

Mr. GOSSETT: Committee on the Judiciary. H. R. 199. A bill to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence, to make immigration quotas available to Asian and Pacific peoples, and for other purposes; with an amendment (Rept. No. 65). Referred to the Committee of the Whole House on the State of the Union.

Mr. SABATH: Committee on Rules. House Resolution 97. Resolution for consideration of H. R. 1661, a bill to provide for continuation of authority for the regulation of exports, and for other purposes; without amendment (Rept. No. 66). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 2609. A bill to provide for the issuance of a postage stamp in honor of Clara Louise Maass; to the Committee on Post Office and Civil Service.

By Mr. H. CARL ANDERSEN:

H. R. 2610. A bill to include in section 3 of the act of June 26, 1936 (49 Stat. 1967), the Midwakanton Sioux Indians of the State of Minnesota; to the Committee on Public Lands.

By Mr. COLMER:

H. R. 2611. A bill to provide assistance for local school agencies in providing educational opportunities for children on Federal reservations or in defense areas, and for other purposes; to the Committee on Education and Labor.

By Mr. COX:

H. R. 2612. A bill to establish an American Mothers Memorial Commission to prepare plans and estimates of costs for the construction in the District of Columbia of a national memorial to the mothers of America; to the Committee on House Administration.

By Mr. DAWSON:

H. R. 2613. A bill to establish principles and policies to govern generally the management of the executive branch of the Government; to the Committee on Expenditures in the Executive Departments.

By Mr. HAYS of Ohio:

H. R. 2614. A bill making unlawful the requirement for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

By Mr. KARSTEN:

H. R. 2615. A bill to amend the Armed Forces Leave Act of 1946 to provide that payments be made to survivors for unused leave accumulated by members of the armed forces before their death in service; to the Committee on Armed Services.

By Mr. LANHAM:

H. R. 2616. A bill to provide for the issuance of a special postage stamp in honor of Alice McLellan Birney; to the Committee on Post Office and Civil Service.

H. R. 2617. A bill to authorize Federal aid to school districts overburdened with war-incurred or defense-incurred school enrollments for the construction of additional school facilities; to the Committee on Education and Labor.

By Mr. MILLS:

H. R. 2618. A bill to amend subparagraphs (a) and (d) of paragraph 1 of part III of Veterans Regulation 1 (a), as amended; to the Committee on Veterans' Affairs.

By Mr. MURRAY of Tennessee:

H. R. 2619. A bill to extend the benefits of the annual- and sick-leave laws to part-time employees on regular tours of duty and to validate payments heretofore made for leave on account of services of such employees; to the Committee on Post Office and Civil Service.

By Mr. MORRIS:

H. R. 2620. A bill providing a direct Federal old-age pension at the rate of $60 per month to certain citizens 60 years of age or over; to the Committee on Ways and Means.

By Mr. SHEPPARD:

H. R. 2621. A bill to amend sections 555 and 556, part 4, Title IV, Administrative Provisions, Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. WAGNER:

H. R. 2622. A bill to amend the act of July 31, 1947, with respect to the maintenance of actions to recover possession of publicly operated housing accommodations; to the Committee on Banking and Currency.

By Mr. WALSH:

H. R. 2623. A bill to promote the orderly and fair marketing of essential foods in commerce; to prevent confusion, fraud, and deception in commerce; and to prohibit practices which burden, obstruct, or affect commerce, the free flow of goods in commerce, or the production of goods for commerce, and for other purposes; to the Committee on Agriculture.

H. R. 2624. A bill to amend the Commodity Exchange Act, as amended, to grant the Secretary of Agriculture authority to regulate margin requirements with respect to speculative transactions in commodity futures on commodity exchanges; to the Committee on Agriculture.

By Mr. WHITTINGTON:

H. R. 2625. A bill to authorize the construction of an office building at Suitland, Md.; to the Committee on Public Works.

H. R. 2626. A bill to amend Public Law 533 of the Eightieth Congress, authorizing the construction of a building for the General Accounting Office on square 518 in the District of Columbia; to the Committee on Public Works.

By Mr. BARTLETT:

H. Con. Res. 37. Concurrent resolution authorizing the Committee on Public Lands of the House of Representatives to have printed for its use additional copies of certain hearings with respect to Alaska; to the Committee on House Administration.

By Mr. VINSON:

H. Res. 98. Resolution making H. R. 1437, a bill to authorize the composition of the Army of the United States and the Air Force of the United States, and for other purposes, special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of South Dakota, memorializing the President and the Congress of the United States for the consideration of their Senate Concurrent Resolution 1, recommending that the Congress of the United States amend the Gold Reserve Act of 1934 to permit gold producers of the United States and Alaska to sell their gold in the markets of the world; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 2627. A bill for the relief of Michael Sisto; to the Committee on the Judiciary.

er they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin.

The only soil in which liberty can grow is that of a united people—we must have faith that the welfare of one is the welfare of all—we must acknowledge that all are equal before God and before the law.

The editorial I refer to follows:

[From the Indianapolis News of October 1946]

THE TORCH STILL BURNS

Two years ago, in the bright beauty of an October afternoon, Wendell Willkie came home to Indiana, to return to the rich earth from which he sprang. On a green hillside over which flamed the tapestry of October, the man whom Indiana gave to the world was laid to rest. On the place where he slept the leaves came drifting down from the hackberry and linden sentinels for his eternal rest.

The great voice that had been raised for freedom was still. But even death cannot quench a dream, and a flaming spirit lives beyond mortality. Wendell Willkie had fired the thoughts of men and touched their hearts, and the world picked up his torch. His words live and his dream moves on toward realization. Greatness does not die.

Symbolic recognition of that truth is afforded, as fully as can be expressed in stone, by the memorial that has just been placed at his grave. This is truly a shrine to freedom. It has the idealism of the cross, the sword of the spirit, the torch of humanity, the book of inspiration, and the laurel of victory.

It is the torch and the book that will carry the message of Wendell Willkie to those who come in the years ahead to the East Hill Cemetery in Rushville, there to pay homage to one who was a friend to all mankind. There is no fire in the granite torch. Rather the flame is in the words graven on the book that all may read as they rest and meditate. They are the words that were Mr. Willkie's creed:

"I believe in America because in it we are free—free to choose our government, to speak our minds, to observe our different religions.

"Because we are generous with our freedom, we share our rights with those who disagree with us.

"Because we hate no people and covet no people's lands.

"Because we are blessed with a natural and varied abundance.

"Because we have great dreams and because we have the opportunity to make those dreams come true."

Mr. Willkie lived those words, as all Americans should live them. And his heritage to his fellow countrymen is contained in these other lines on the book, taken from his speeches and One World:

"There are no distant points in the world any longer—our thinking in the future must be world-wide.

"We must establish beyond all doubt the equality of men.

"The world is awakening at last to the knowledge that the rule of people by other peoples is not freedom.

"Freedom is an indivisible word—we must be prepared to extend it to everyone, whether they are rich or poor, whether they agree with us or not, no matter what their race or the color of their skin.

"The only soil in which liberty can grow is that of a united people—we must have faith that the welfare of one is the welfare of all—we must acknowledge that all are equal before God and before the law.

"Only the productive are strong, only the strong are free.

"It is inescapably true that to raise the standard of living of any man anywhere in the world is to raise the standard of living by some slight degree of every man, everywhere in the world.

"Whenever we take away the liberties of those whom we hate we are opening the way to loss of liberty for those we love.

"The moral losses of expediency always far outweight the temporary gains.

"The test of a people is their aim and not their color."

Those words still speak to a world that has yet to know their full meaning. They are as true as the ages. And as long as their are living men to read them, and warm hearts to respond, the spirit of Wendell Willkie will endure. His torch still burns.

PERMISSION TO ADDRESS THE HOUSE

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

THE ADMINISTRATION PROGRAM

Mr. RICH. Mr. Speaker, the President says we must have $4,000,000,000 in new taxes.

Yesterday's paper says:

Boost in tax levies a must, Speaker RAYBURN declares. Four-billion-dollar increase needed to keep Government our of red, he says.

Today the Secretary of the Treasury said we need $4,000,000,000 in taxes.

Is there not somebody in high Government places who is going to say we want to cut down Government spending? Let some one Democrat get some economy in his system. Or are you going to take on this Truman giveaway plan: Bigger old-age pensions, more pay for the idle, to have the Government pay the medicine bill, permanent pay for the sick, Federal aid for the schools, electric power at less than cost, new dams at less than cost, bigger Government aid in the West, bigger Government subsidies, higher wages, and lower prices. For goodness sake, let us get a little common sense into Government and cut the cost of Government.

Stop squandering, stop spending, stop giving our resources away and you will stop taxing. Our people are tired of taxes; our people want economy in Government; I want economy in Government. The way to get it is stop spending. Stop spending and you stop taxing, Mr. Speaker.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

THE VETERANS' PENSION BILL

Mr. RANKIN. Mr. Speaker, I see a hideous cartoon of myself in this morning's Washington Post—the uptown edition of the Communist Daily Worker.

You will remember that we chased some of the Communists off the editorial staff of that publication; but they still have a Communist cartoonist.

This publication is doing more to stir race trouble here in Washington than all other forces combined, by its communistic propaganda for wiping out all race segregation and forcing Negroes into the white hotels and white schools of the District of Columbia. Of course they don't give a tinker's dam about the Negroes. They just want to harass the white gentiles of America and force their communistic program on them. But when you turn the spotlight on them they whine "race prejudice."

They do not want our aged veterans taken care of, as this bill provides, for fear it might cost them a few of their ill-gained dollars.

I filed a resolution for a rule on this bill, and I am going to press it as hard as I can. I want to bring this measure to the floor of the House as quickly as possible.

The gentleman from Wisconsin [Mr. BYRNES] on yesterday got excited, and you would have thought from his speech that we were going to break the Government with this bill.

Why, the bill he voted for last year known as the Marshall plan, which was really the Bevin plan, would send to Europe tobacco alone costing ten times as much as this soldiers' pension bill would cost the first year.

The gentleman from Wisconsin can take that side of the question if he wants to—and any of the rest of you can do likewise; but I am not going to let these old veterans, who served their country in time of war, go to the poorhouse in their declining days if I can help it.

If we can spend untold billions of dollars on other countries—as I said, feeding and clothing every lazy lout from Tokyo to Timbuktu—then we can take care of our aged veterans when they get beyond the age of their earning capacity, and are unable to care for themselves.

The SPEAKER. The time of the gentleman from Mississippi has expired.

EXPORT CONTROL ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 97 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, I make the point of order that a quorum is not present. If we are going to legislate, let us have the Members present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 16]

Abbitt	Byrne, N. Y.	Fulton
Allen, La.	Colmer	Furcolo
Bates, Mass.	Coudert	Gathings
Bennett, Fla.	Cunningham	Gwinn
Bentsen	Curtis	Heffernan
Blatnik	DeGraffenried	Herter
Bolton, Md.	D'Ewart	Hoffman, Ill.
Boykin	Dingell	Hoffman, Mich.
Breen	Douglas	Jackson, Calif.
Bulwinkle	Eberharter	Jenkins
Burdick	Engel, Mich.	Judd

Karst	O'Hara, Minn.	Smith, Ohio
Klein	O'Toole	Somers
Lemke	Pace	Taylor
Lesinski	Pfeifer,	Thomas, N. J.
Linehan	Joseph L.	Thomas, Tex.
McMillan, S. C.	Powell	Towe
Mack, Ill.	Reed, Ill.	Van Zandt
Macy	Regan	Wadsworth
Mahon	Scott, Hardie	Walter
Marshall	Scott,	Werdel
Mason	Hugh D., Jr.	Whitaker
Miles	Short	White, Idaho
Norton	Sikes	Wickersham

The SPEAKER. Three hundred and sixty-one Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

REREFERENCE OF BILL

Mr. SPENCE. Mr. Speaker, by inadvertence, the bill (H. R. 1376) to provide assistance to farmers in securing farm housing and other farm buildings, and for other purposes, was referred to the Committee on Agriculture. I have conferred with the chairman of the Committee on Agriculture.

I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the bill and that the bill be referred to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

SPECIAL ORDER GRANTED

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes on Monday next, following the legislative business of the day and any special orders heretofore entered for this day.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

EXTENSION OF REMARKS

Mr. MADDEN asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Gary Post-Tribune.

Mr. THOMPSON asked and was given permission to extend his remraks in the Appendix of the RECORD and include an address by the national president of the Marine Corps Reserve Officers' Association.

Mr. HÉBERT asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BROOKS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial and excerpts.

Mr. TRIMBLE asked and was granted permission to extend his remarks in the RECORD and include an article entitled "Annual Madison County Soil Conservation District," notwithstanding the fact that the Government Printing Office estimates the cost will be $230.75.

Mr. HARRISON asked and was granted permission to extend his remarks in the Appendix of the RECORD and include sundry editorials.

Mr. GARMATZ asked and was granted permission to include his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. MITCHELL asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an article from the New York Times.

Mr. KENNEDY and Mr. MILLER of Nebraska asked and were granted permission to extend their remarks in the Appendix of the RECORD.

Mr. McDONOUGH asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. KEATING asked and was given permission to extend his remarks in the Appendix of the RECORD regarding a bill he will today introduce.

Mr. POULSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include a letter.

ANNUAL REPORT OF THE UNITED STATES CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with accompanying papers, referred to the Committee on Post Office and Civil Service:

To the Congress of the United States:

I am transmitting herewith the Sixty-fifth Annual Report of the United States Civil Service Commission. This report covers the fiscal year ended June 30, 1948.

HARRY S. TRUMAN.

THE WHITE HOUSE, *February 17, 1949.*

EXPORT-CONTROL ACT OF 1949

Mr. SABATH. Mr. Speaker, I call up House Resolution 97 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, after I conclude my remarks I shall yield 30 minutes to the gentleman from Illinois [Mr. ALLEN].

Mr. Speaker, several Members have accused me of being responsible for bringing them here this morning by making a point of order that a quorum was not present. I did not make the point of order, but it will not hurt the Members to remain here during the consideration of the bill, especially since it is being considered under the 5-minute rule.

The rule is an open one and provides for 2 hours general debate, after which the bill will be taken up and read under the 5-minute rule for the offering of amendments. It might be well for all of the Members to remain here at that time in order to gain information about the provisions of the bill.

Mr. Speaker, the bill is relative to the control of the exportation of products that are vital to the Nation's internal economy as well as to its external security. It provides for the continuation of the President's authority to control this vital link in the chain of the Nation's welfare.

The effect of the legislation will be to safeguard the supply of many of the materials needed by our own country. It is true that it controls the export of goods both to friendly and to so-called unfriendly nations. In this way, it serves a twofold purpose. In the first place, our domestic situation is strengthened, especially through the curbing of inflationary tendencies caused by foreign demand. And in regard to our security, the program will act as a two-edged sword; we can limit the flow of goods to nations that we suspect are unfriendly and we can see to it that the goods we send to the friendly nations do not find their ultimate destination in the hands of our potential enemies. In the past, many valuable materials that have been exported, and even donated, to our friends have found their way to countries that are not so friendly. Even some of the so-called friendly nations are not so friendly. At any rate, I hope that those countries that have engaged in unfair tactics in the past will cease doing so in the future. Nevertheless, the situation is such that our reliance should be placed at home. Thus, we are giving this power to the President.

The people of the country have confidence in the judgment of the President they have confidence that he has the welfare of the United States uppermost in his mind, first, last, and always. They know that his sane, common sense will safeguard their interests and the interests of our country, seeing to it that scarce materials will not, by devious means, find their way to undesirable destinations. To those that decry the centralization of authority, it may be stated that the situation is a swiftly changing one, with the need for rapid action. Central authority is imperative. Furthermore, the President will be apprised of all the facts through his advisors in the various departments concerned. The action of the President will prove beneficial to American manufacturers, who, in the future, will not be faced with the severe shortages of the past. It may be noted that many manufacturers were obliged to suspend operations due to manipulations on the part of the trusts. They were not able to obtain steel and other necessary materials.

Of course this matter was exploited by my Republican friends. Yesterday

three of them arose and claimed, with a great deal of glee, that we are facing a recession. Well, my friends, that just isn't true. The country is prosperous and will continue to be prosperous and the people will continue to be employed.

Yes, we have a little unemployment. We know that from 8 to 10 percent of our employable people ordinarily are unemployed during peacetimes. Now we have over 58,000,000 people employed, and they will continue to be employed if we retain the raw materials that are needed for production, as contemplated in this bill. Some gentlemen say there are nearly 2,000,000 unemployed. Well, that is not even a quarter of what we ordinarily have in peacetimes, percentagewise. Actually, it may be said that there is no unemployment. Look at the newspapers here, in New York, in Chicago, and in every other city and you will find page after page of help wanted, labor wanted, manpower wanted. There is a demand for more labor, and everybody who desires to work may find employment, and I hope at good wages. Shortly, we will pass the minimum wage bill and that will encourage still greater employment.

(Mr. SABATH asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker and Members of the House, I do not oppose the rule making in order the consideration of H. R. 1661, a bill introduced by the gentleman from Kentucky [Mr. SPENCE] to enact a law for the regulation of exports, and for other purposes, under a 2-hour general debate clause.

I do not oppose the rule because I believe that some sort of legislation to continue export controls is absolutely necessary at this time.

A short time ago I spoke on the floor of the House and perhaps criticized just a little bit some of my friends on the majority side because, while they had been very loud and long in their criticisms of the Eightieth Congress, they had brought in a number of bills which extended legislation that had been passed by the Congress which they have criticized, the Republican Eightieth Congress. They had reenacted legislation which they had opposed and had criticized at the time the Eightieth Congress enacted it into law.

Seemingly my friends of the majority took that criticism of mine to heart, because they have evidently decided that they would not extend the Republican-sponsored law for export control but instead would attempt to write a bill of their own, a substitute measure, as it were.

I hope the Members of the House will listen very carefully to the debate on the bill H. R. 1661 and the explanation of what this new law actually contains, because it goes much further as far as conferring power on the President is concerned than any export-control legislation which has ever been enacted by any Congress in the past. It goes so far as to permit the President or any person he may designate to go into the matter of financing exports, of transporting exports, and of servicing the goods that are shipped overseas. It goes even further than that. It provides that the veil of secrecy can be thrown about these activities, or that, in the discretion of an official, if any particular business or industrial secret should be made public for the benefit of some individual or some group or some organization, it can be done.

It permits the officials in charge of export controls to bring in any individual in the United States, regardless of whether or not that person has any connection whatsoever with the goods being exported, and swear that person and get all the information they want from him about that particular matter or any other matter that he may know something about.

In other words, this legislation is another step in conferring practically—well, let me say not dictatorial, but very, very broad powers on the Chief Executive. It is just another chapter, if you please, in the story of centralizing all power and authority in the Government here in Washington.

Those of you who are interested in the welfare of your own industries and your own districts had better look at this piece of legislation rather carefully and listen to the explanations and give serious consideration to some of the amendments that will be offered during the consideration of the bill in the Committee of the Whole House on the State of the Union.

May I also add that perhaps it might be wise for our friends of the majority to be giving just a little bit of consideration to import controls as well as to export control legislation, because if the present trend continues it will not be long until many of us here will be seriously concerned with the heavy flow of imports which are coming into this country. I know that in the report on this bill reference is made to the increase in production in foreign countries in many commodities.

I am not unmindful of something that happened in my own State in the last 2 weeks. Up in the great city of Cleveland bids were opened for the purchase of generating equipment to make electricity for that great city, a city of over one million souls.

The low bidder was a Swiss concern with a bid more than a half million dollars below the lowest bid made by any American manufacturer for the same identical equipment, with the result that the workers in the electrical factory in Switzerland will be employed while the workers in some of the electrical factories in America are being laid off. I have every respect and every regard for the distinguished Member from the State of Illinois, my chairman [Mr. SABATH]. Yet as I heard him speak, I could not help but wonder just where he has been recently. Certainly he has not been in the great State of Illinois. Certainly he has not been back home, or he would have found out very quickly that there is unemployment—growing unemployment in the city of Chicago to such an extent, by the way, that it is giving grave concern to his own city and State officials.

Mr. SADLAK. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SADLAK. I am positive that the gentleman from Illinois was not in the State of Connecticut.

Mr. BROWN of Ohio. I am sure that the gentleman has been in the never-never land if he still believes that we have expanding employment in this country and that there is a great shortage of workers. If the gentleman from Illinois has all these positions and jobs available that he has been talking about, I believe many Members of the House could give him names of many, many individuals who have been writing us asking them to help them get employment.

We have even had much correspondence from our own State governments asking for help from the Government in the way of additional employees to process unemployment compensation applications. The House by a motion made by the majority on yesterday adopted an amendment to the deficiency appropriation bill to more than double, as I remember it, the funds to be used for the employment of additional workers in these unemployment compensation offices out in the States, just so that we can take care of the unemployed.

But the gentleman from Illinois insists here in a pious way that such unemployment does not exist at all. The statements made here by the gentleman from Illinois will not help to feed the families of the unemployed in this country or in his district.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. SABATH. Is the gentleman from Ohio referring to the unemployed among Republicans who have been holding sinecure positions in the formerly Republican state governments? There is certainly unemployment there, of course.

Mr. BROWN of Ohio. Mr. Speaker, there is a rather strange thing about public employment. Whenever they do get a really difficult or knotty problem in government, whether it be in the States or in the national government, they always turn to some Republican to solve that problem for them. They have to go where they can to find the ability to do the job. I might add that that seems to apply at every point in our public service, even in the military and naval branches of the Government. I am simply amazed that the gentleman from Illinois would stand in the Well of the House and attempt to tell the Congress and the country that there is not a growing unemployment problem. It is a serious problem. It is one that gives grave concern to every thinking American. I am satisfied it is giving grave concern to the leaders of this Administration—to the President of the United States and to those who advise him—because I understand from rather reliable sources, I may say to the gentleman from Illinois, that plans are already rather well developed

for a new type of WPA program. I hope it is not leaf raking. I hope, if we have to do something for the unemployed in this country as a result of the economic and Government mistakes in the past, that what we will do will be constructive. I hope we will not waste our substance on leaf raking and on doles, but instead that the men and women we must aid will have their efforts directed in a constructive way, so that they themselves may pay their own way and feel that they are contributing to the welfare of their Nation and of their community.

I hope that the gentleman from Illinois [Mr. SABATH] will understand that as unemployment grows—and it is growing in the State of Illinois and in the city of Chicago—we will have great sympathy for him and great concern for those individuals out there who have lost their jobs, and that we will join him in doing everything we can to help them, because he will find they are unable to eat speeches made on the floor of the House and they are unable to live on the statistics put out by prejudiced persons and individuals; that instead, they will need actual help, not only from the Government but from every other decent-thinking American citizen who wants to see this economy of ours remain strong and safe and sound so that America may be, after all, a strong influence in the world for peace and for prosperity, I hope the gentleman will let us know just what his solution is to continue such high employment in his State.

The SPEAKER. The time of the gentleman from Ohio [Mr. BROWN] has expired.

Mr. SABATH. Mr. Speaker, in view of the statement of the gentleman from Ohio [Mr. BROWN], relative to unemployment in Illinois, I have been requested to yield 5 minutes to a gentleman who is familiar with labor conditions in Chicago.

I yield 5 minutes to my colleague from Illinois [Mr. BUCKLEY].

Mr. BUCKLEY of Illinois. Mr. Speaker, it seems to me that we are catering to a program of fear. Illinois as such, has no worry about unemployment. They have in the past, and shall continue in the future to take care of their own problems. Perhaps the gentleman from Ohio [Mr. BROWN] should concern himself more with the problems in his own State.

I, for one, am getting tired of hearing this talk about a depression and the unemployment that usually follows. The Republican minority is attempting to drive a sense of fear and insecurity into the American people merely because the will of the mass of Americans manifested itself in the last election—and the Democrats were justifiably victorious. Of course, the only thing that the American people have to fear is fear itself. If certain Members of Congress, and others, continue harping on the coming of a depression, they will have their wish. They will succeed—if they continue—by striking fear into the hearts of the American people. The result will be a curtailment in buying, and the logical cutback in production that necessarily follows, with the end result leading to unemployment. When this occurs the Republicans will be exceedingly happy, because it was the Eightieth Republican Congress that attempted to start this vicious economic process.

I firmly believe that there is no reason for such talk today, because we are merely in the process of a peacetime adjustment to our hard fought victory in the last war. I do not think, nor is it proper, for a Member of Congress to stand up in the House of Representatives and alarm the people—by telling them that they are facing a panic or depression. The only motive behind these unwarranted and unjustifiable cries of "slump and depression" is one of delay in order to hamper labor unions who will be seeking new contracts shortly. It is merely a scheme on the part of Republicans to preclude the laboring people from asking for a fourth round of wage increases.

The future outlook is bright. We have great employment in the United States today. Whatever slowing down happens to exist in the employment situation as it occurs today, results normally when new labor contracts are being negotiated, and management acts cautiously.

Thank God that we in America are wise enough and courageous enough to have such a great administration and such a truly great leader as the President of the United States. We all have confidence in him. He will, with God's Providence and the aid of the Democratic Eighty-first Congress, dispel all fears of depression and unemployment, to the end that the people of America, and their Nation will again be sound and solvent as they have been in the past under Democratic leadership.

Mr. SABATH. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CAVALCANTE].

Mr. CAVALCANTE. Mr. Speaker, I have merely asked for this time in order to obtain information to clear my mind on the conditions of this bill and also to guide me in the manner that I should vote.

Some days ago we passed a bill pertaining to reciprocal trade agreements. I should like to have my mind cleared on the proposition of whether the provisions of those reciprocal trade agreements were excepted from the provisions of the bill which will be made in order by this rule? I may state that I agree with the principle of export control of short-supply materials. I also believe in conferring the power to control upon the President. It is because of this that I am concerned in knowing whether the short supply materials that we are here trying to conserve by the provision of this bill may not be exported under the powers conferred a few days ago upon the President by the so-called Reciprocal Trade Agreement Act?

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Speaker, I believe this bill is one that the individual Members of the House are going to regret very seriously if it is put on the statute books as it comes to us. It is one of the largest abdications of legislative responsibility since the Blue Eagle Act. I wish you would read the declaration of policy contained in section 2. It is so broad that it covers every piece of export business that can be done in the entire United States in any commodity whatever. Subsection (b) of section 2, the policy section, includes as policy, the objective:

> To further the foreign policy of the United States and to aid in fulfilling its international responsibilities—

That is just as broad as the world is wide. It covers everything without limit. Under the authority to carry out that policy contained in section 2, under section 3 this can be done—

> To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person—

In other words, in that sentence you do away with, or make it possible to, change or abolish practically all of the rules and regulations in the transporting and the financing agencies of the United States by giving the power to the President to assign even greater powers to other agencies or officials; and in the last phrase it grants the power to not only completely control the exporters but also to say who can do the exporting, the financing, the transporting, and the servicing, all of which can permit rank political favoritism in the granting of permits and licenses; and there is a penalty provision attached to this bill embracing imprisonment for 1 year, or a $10,000 finc, or both, for violation of a rule or regulation promulgated by an official of the Government.

In the concluding portion of the bill it is stated:

> This act shall not supersede any other act.

We have of course a number of acts on the statute books today that are for the purpose of controlling exports; but what this bill means is that in negotiations under the present trade treaty acts you are going to give the President authority to agree with other countries to establish domestic export quotas, or they can just be established. That will mean a complete violation of the freedom in commerce which our country has enjoyed, except in war, since the beginning. It will give, at the same time, free rein to the President to engage in commercial warfare through the export quota system. This is the system applied by authoritarian countries. In other words, instead of this great freedom of trade we have been hearing about in the reciprocal trade agreements debates we are now about to tie up trade so that nobody can operate except those favored by the administration. The reciprocal trade agreements will not mean anything. You will find that we are going to operate very much as the Nazi and some other European governments operated before the war. We had better be looking forward to freeing the channels of trade and not tying them up, if we want to uphold the great principles of our country.

Mr. COLE of Kansas. Mr. Speaker, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. Referring to the gentleman's statement concerning the declaration of policy, I may say to the gentleman that in the hearings before the committee evidence was produced that this bill was necessary, according to its proponents, to protect the domestic economy from excessive drain. The latter two provisions of the declaration were not given much consideration, whether or not it is necessary to further the foreign policy of the United States and whether it is necessary to conserve the security of the United States, so some of us have had great concern about the continuation of a permanent policy.

The SPEAKER. The time of the gentleman from California has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman two additional minutes.

Mr. HINSHAW. Mr. Speaker, may I say to the gentleman that excessive drain can be stopped by cutting back on gifts to foreign countries, and that so far as the national defense is concerned, I believe it is adequately protected by other law at the present time in existing statutes which may be extended. As a member of the Joint Committee on Atomic Energy I know there is plenty of law in the Atomic Energy Act to protect the United States in those respects if it is properly exercised. But to put in this subsection (b) which says, "To further the foreign policy of the United States and to aid in fulfilling its international responsibility," is to grant the most extraordinary power in words just as wide open for interpretation as anything that was ever written into any law or statute of the United States. You can interpret those words to cover any sin or any objective that anyone in authority may want to cover. It vitiates entirely any other limitations that there may be in the bill.

The last subsection, the words "to exercise the necessary vigilance over exports from the standpoint of their significance to the national security," no one will argue with; but that subsection (b) of the policy section is a dilly. May I tell the Members of the House of Representatives that after this act is passed you are going to have everybody in your district coming down here and asking you to go to the Export Control Office to assist them in getting licenses for exports. It will be reflected in less employment in the exporting industries as the direct result of the complicated red tape and licenses required which will disgust the producers of exportable products. It will stifle small producer exports. I am in favor of freeing the mechanics of foreign trade and not tying them up as this bill will do under the regulations that will be issued pursuant to it.

(Mr. SPENCE asked and was given permission to revise and extend the remarks he will make in the Committee on the bill under consideration and include a report.)

(Mr. BUCKLEY of Illinois (at the request of Mr. SABATH) was given permission to revise and extend his remarks.)

(Mr. HINSHAW asked and was given permission to revise and extend his remarks.)

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 1661, with Mr. HUBER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, it seems that the prologue to every bill in the House continuing an authority that already exists is an acrimonious political discussion. It is true that the authority that is given the President under this bill was continued by the Eightieth Congress, but the authority originally was given to the President more than 8 years ago. On July 2, 1940, the President was given practically the same powers that are given to him under this bill, and he has retained those powers ever since. Why is it now, in this Democratic Congress, that they have great apprehension on the other side as to the use of these powers? I know the gentlemen on the other side have not really gotten over the effects of the last election, and I suppose that is natural. But the Bible says:

> Let not him that girdeth on his harness boast himself as he that putteth it off.

And I think really there has been too much boasting on the other side, and that they could have foreseen what might have happened to them, for the prophets of old said that "Pride goeth before destruction, and the haughty spirit before the fall." The Prince of Peace said, "The meek shall inherit the earth." And, of course, it has been demonstrated that those that are not meek inherit nothing.

I hope my friends on the other side will read the Good Book and obtain lessons from it. Why should we not give the President these powers? We are not in normal times. Times have not been normal since 1940, when he was given these powers. I do not think it would be good policy for this Government to put shackles on the President in the exercise of these powers, with their international implications. He is dealing with the governments of the world. He is protecting the economy of the United States. In these highly important international affairs he ought to have the same powers granted him as the free elected Executive of a free nation, by free Representatives elected by the people, as the executive or dictator has in representing the enslaved people in totalitarian governments. We have got to trust these powers to somebody, and to limit them and restrict them by unnecessary conditions would weaken the very purpose for which they are given to him.

We know what happened before the last war and before this war. I do not say that the great industrial people of the United States are willing to sacrifice their country for profit, but you know and I know that the scrap piles of America disappeared just before we went into the war with Japan. They disappeared because a profitable markct was found in which to sell them. Those things were converted into munitions of war, and caused the death of our boys, no doubt about that.

We do not wart that to happen again. The only way we can do that is by restricting exports. There is a short supply of many essential materials, and unless these things that are essential to our own welfare and to our domestic economy are controlled, the inflationary impact of abnormal foreign demand might be destructive of our interests.

We must have authority to control the quantitative amount of exports and to control the destination of these things, and they can be controlled.

Why should you have any apprehension, why should you be so captious about a few words that are in this bill? The President can delegate these powers to any department, agency, or official. I have heard objections made to the word "official." The President has transferred them to an official. He has not transferred the powers to an agency or a department. He has transferred these powers and invested them in the Secretary of Commerce and that, it seems to me, is where they ought to go. He centralizes the responsibility, and he makes it incumbent upon one man to discharge the duties he has imposed upon him.

A great deal of criticism has been made about the word "financing." That does not apply to power that can regulate how exporters shall obtain their money, it merely is an enforcement provision. When an exporter wants a license to ship certain things abroad, the best information the Government can obtain in regard to that license is through him who finances the exporter. He usually knows the amount of the goods that are going to be sent, the consignee, and the ability of the exporter, and it is only to that extent that this word "financing" is placed in this bill. It is an enforcement power that is absolutely essential to carry out the act in the way it should be carried out.

There is a great deal of misapprehension as to the words "standards and criteria." Why should there not be standards and criteria, to give to the exporter knowledge of just what his rights are?

The administration itself has placed this limitation upon it by the formulation of standards and criteria, criteria as to price, destination, end use, and so forth.

In connection with enforcement I remember there was one case where an exporter received an export license to transport glass vials. They found after investigation that the vials contained very expensive drugs which were not

mentioned in the application for export. You must have the information if you are going to properly administer this law and you have to get the information from every reliable source from which it can be obtained. You need not have any apprehension about the administration of this act because the President has had practically all these powers under the original act. So it is but a continuation for 2 years of the powers that are now vested in him for a most essential purpose, a purpose that affects not only our domestic economy, but our foreign relations and our national security because it is worked in connection with the foreign-aid plan.

Unless we have some such licensing control as this, we cannot effectively carry out that plan.

Under leave to insert the committee report on this bill, I herewith insert House Report No. 18:

EXPORT CONTROL ACT OF 1949

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following report:

The Committee on Banking and Currency, to whom was referred the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

1. In section 2 strike out "fulfill" and insert in lieu thereof "to aid in fulfilling."

2. In section 3 (a) strike out "carriage" where it appears therein and insert in lieu thereof "transporting."

3. In section 4 (a) immediately following the word "department" strike out "or" and insert a comma; and immediately following the word "agency" insert ", or official."

4. In the last sentence of section 4 (b) immediately following the word "agency" insert ", or official."

5. In the second sentence of section 6 (a) immediately following the word "court" where such word first appears in said sentence insert "of the United States."

6. In the first line of section 6 (c) immediately following the word "department" strike out "or" and insert a comma; and immediately following "agency" in said line insert ", or official."

7. In section 8 immediately following the word "agency" insert ", or official"; and at the end of said section insert a period.

8. In the second sentence of section 11 immediately following "delegations," insert "rules."

GENERAL STATEMENT

Export controls are being used at the present time to accomplish three important objectives: cushioning the domestic economy from the inflationary impact of foreign demand; influencing the geographic distribution of such quantities of scarce materials as can reasonably be spared from our economy; and exercising the necessary vigilance of exports of industrial commodities significant from the standpoint of the security of the United States.

The bulk of our merchandise in export has not been in short-supply commodities. Only about one-fourth of these exports has been in commodities for which quantitative export control is deemed necessary. Within this relatively limited sphere it has been desirable to temper the inflationary impact of foreign demand. This has been accomplished by limiting the quantities of scarce materials permitted to leave this country and, where feasible, by disqualifying export transactions made at excessively high prices. The supplies of these materials available for domestic use have been sufficient to permit a steadily increasing level of output and consumption in the United States.

Through export controls geographic distribution of commodities has been affected to channel exports into friendly countries, notably those participating in the European recovery program. For instance, in the first 6 months of 1948 uncontrolled exports amounted to $4,850,328,000, of which only 25 percent, or $1,211,056,000, went to European recovery-program countries. However, in the same period, controlled exports amounted to $1,643,210,000, of which over 59 percent, or $977,484,000, went to European recovery-program countries. It is evident that export controls are acting as an effective instrument in assisting the European recovery program.

The imposition of strict controls over shipments to eastern Europe has reduced exports to that area from an annual rate of $400,000,000 in the second quarter of 1947 to an annual rate of only $125,000,000 in the third quarter of 1948. For purposes of export control to eastern Europe, commodities have been classified in descending order of importance from the viewpoint of national security—ranging from materials and equipment which are of direct military significance, or basic importance in the manufactures of the nations, or of great strategic significance from an over-all industrial point of view, to the relatively nonessential commodities which are in abundant supply in this country and which are of slight significance either to the basic industries or to the general economy of eastern Europe. In general, export licensing to eastern Europe has been most restrictive at the top of this scale and least restrictive at the bottom.

The Department of Commerce, under existing law, has been given the principal responsibility in the administration of export controls. In the administration of such controls the Department through its Office of International Trade obtains the counsel and assistance of other Government agencies through the mechanism of formal interdepartmental committees. This mechanism has been used to assure policy coordination of these controls. The Advisory Committee on Requirements has the general function of assuring a coordinated supply-requirements operation by relating estimates of material requirements to estimates of supply available from foreign and domestic sources, by formulating measures necessary to bring supply and demand more closely into balance, and by advising the Secretary of Commerce as to the relative importance of programs and projects competing for materials in short supply.

The rules and regulations governing export controls are published in the Federal Register, including the so-called positive list—the list of commodities requiring specific export licenses for all destinations. It is the practice of the Department of Commerce to publish the quotas for all controlled commodities to which they apply so that exporters may have, in advance, a general idea of the quantities they might individually be allowed to export. Such information, with detailed explanations for the use of the export trade, is published by the Department of Commerce in a quarterly, comprehensive export schedule, supplemented by current export bulletins. To assist in formulating procedures for the various commodities under control, the Department has accelerated and extended its trade-consultation activities. During the past quarter, formal conferences have been held with many different groups of businessmen concerned with the export of various commodities. In order to secure broad representation, the membership includes small, medium, and large firms; merchant exporters as well as producers; exporters in various regions of the country; and trade-association members as well as independents.

These commodity advisory committees have proved helpful in determining the most equitable methods of distributing limited quotas among exporters. These groups have concerned themselves with the following questions relating to quota distribution: The extent to which price criteria should be used; the proportion of the quota to be allotted between traditional exporters and newcomers; administrative techniques for identifying and eliminating applicants whose interest is purely speculative; and the extent to which foreign government recommendations should be followed in granting export licenses.

These trade advisory activities have yielded immediate and substantial benefits to the export trade community, and the Department has been assisted in the improvement of licensing procedures to meet the varying practical problems involved in the export of different commodities. The result has been not only to facilitate export transactions and shipments of commodities, but also to reduce substantially the administrative burden of licensing control.

At the beginning of 1948, there were 386 separate commodity classifications under export control. This compares with the more than 3,000 such classifications under export control during the war years. For the first 6 months of 1948 exports of commodities on the positive list amounted to $1,643,210,000, or approximately 25 percent of the total value of commodities exported amounting to $6,493,539,000. Major commodities under export control for supply reasons are discussed in the following paragraphs.

Steel

Because of the continuing steel shortages, virtually all steel products are under export control, a significant change from the situation in 1947, when less than half of the steel tonnage exported was under control. Shipments abroad hit a postwar peak in the second quarter of 1947, when they reached an annual rate of 6,900,000 tons or 10.7 percent of the supply. For the year 1947 as a whole, exports totaled 6,500,000 tons or 10.3 percent of the supply. In each quarter of 1948, the downward trend has continued. In the first quarter, exports were at an annual rate of 5,400,000 tons, or 8.3 percent of the supply; in the second quarter, 4,300,000 tons, or 6.7 percent of supply; in the third quarter, the annual rate of exports was down to less than 3,700,000 tons; and by the fourth quarter, the annual rate of exports was 3,300,000 tons, or 4.8 percent of the supply. For purposes of comparison, it may be noted that in the immediate prewar period, exports accounted for 7.6 percent of the supply.

The sharp increases in steel production abroad in 1948 contributed importantly to the reduction of foreign demand upon the United States. This is particularly true of the European recovery program countries where most of the production increase was concentrated, and which before the war required little steel from the United States. For the most part, increased output abroad was used to satisfy indigenous needs, but a part was also used to fill demands in other countries. Exports of steel from the United Kingdom in 1948 were back to prewar levels, and exports from Belgium and Luxemburg, the chief competitors of the United States in the steel export field, were substantially above prewar.

Aside from the extension of export controls during 1948 to cover almost every form of steel exported from the United States, export licensing restrictions were tightened by reducing the validity period of outstanding licenses from 12 months to 6 months, and by requiring the use of an individual license application for each shipment of each steel product to each country of destination. In addition, the total export quotas established for each steel item under control were divided into fairly rigid subquotas for each

country. These country quotas were determined after careful screening of requirements statements submitted by foreign governments and supplemented by United States embassies abroad. Some country quotas for some items were heavily oversubscribed, particularly, as in the case of Venezuela or south Africa, where ample dollar exchange was available and long-term market prospects are good; in no other cases, notably those involving countries of western Europe, the total volume of applications was smaller than the established quotas. The country quota system assists needy countries to obtain steel from United States suppliers by restricting exports to those markets which might otherwise tend to monopolize export tonnages.

An increased share of the steel exported from the United States in 1948 was destined for special projects operations and activities abroad of such high importance to the United States as to merit special attention to their requirements for steel and other scarce materials. Roughly one-fourth of the total steel quotas were earmarked for these projects, most of which are owned or controlled by American interests. The bulk of the steel moving under special project license was used for petroleum operations abroad, in Venezuela and other countries of Latin America, and in the Middle and Far East. Smaller quantities were licensed for a number of mining operations engaged in the production of strategic and critical materials needed in the United States. Practically all of the casing and oil-line pipe and large portions of the unlined storage tanks, seamless black pipe, structural shapes, and reinforcing bars which were permitted for export were needed to maintain and expand these special project activities abroad.

Nonferrous metals

The nonferrous metals—copper, zinc, lead, tin, and aluminum—currently offer the most serious supply problems to the United States. The world-wide scarcity, the immediate needs of the strategic stock pile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands indicate that the shortage of nonferrous metals will not be overcome in the near future.

The United States has long been dependent on foreign sources to meet a large portion of its nonferrous metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on imports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States. The nonferrous mining operations in the Western Hemisphere are classified as special projects, and receive preference in the allocation for export of short-supply materials from the United States. Virtually all of the requirements of these operations for maintenance, repair, and operating supplies, as well as materials for new development and facilities, come from the United States.

The increasing pressure on nonferrous metals supplies during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet, and strip were added to the positive list in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports. Quotas for other nonferrous metals were also reduced during the year.

The bulk of the exports of copper and zinc have consisted of refined copper and slab zinc produced from imported ores. Much of this material entered the United States for processing and reexport. Although licenses are required for these reexports, it has been the practice to permit comparatively free exports of products processed from imported ore. This policy has been adopted in order to stimulate the movement of ores to this country and to keep United States smelters operating at capacity.

Food

World supplies of cereals are becoming more adequate to meet the minimum requirements of all countries provided they would move into the channels of trade at the proper time and in fair proportions. Because of dollar shortages in most importing countries and price considerations in the exporting countries, these conditions would not be met without certain Government controls. Cereal grains and their products, excluding rice, are not presently controlled for export to the Western Hemisphere countries and the Philippines, licensing requirements having been suspended in the last half of 1948 after good harvests were assured and supplies from the new crops began to come to market. Shipments of wheat, wheat flour, oats, barley, and grain sorghums to Western Hemisphere countries and the Philippines were removed from export restrictions in August 1948. Export-license requirements for corn to these countries were continued until December 1948 in order to protect supplies from the poor crop of 1947 and until grain from the bumper crop of 1948 began to appear on the market. Export-license requirements for rye and rye flour were also continued until December because of the limited supplies of that crop in this country.

While world supplies of meat are only slightly below prewar, the decline has been substantial in the importing countries, and much of the increase in the exporting countries has been retained for domestic consumption. World requirements for meat are far in excess of available supplies, and the pressure of rising populations and the desirability of better living standards point to a continuation of the world shortage of meats for some time to come. In view of the tight meat situation, reflected in record prices in 1948, the Department of Commerce has controlled the exports of meat very carefully. Only token amounts have been allocated for export, and only a fraction of 1 percent of our supply was exported in 1948. A large share of the total allocations have been licensed to special projects, many of which produce critical materials which augment United States supplies. Latin America and the Philippines have been allotted the remainder, and the bulk of the shipments has consisted of pork.

The outlook for fats and oils supplies in 1949 is favorable. Indications are that large oilseed plantings will be made again this spring, and the spring pig crop is reported as 10 percent over the previous season's crop. With favorable weather conditions, a further easing of the fat situation can be expected, although supplies do not appear sufficient to meet total potential demand for both domestic and foreign needs. The improving fat situation in the United States is part of a general easing in the world shortage of fats and oils.

Textiles

Only a few textile items are under export control. Since output of raw cotton and cotton goods is ample to meet all domestic demands, and to provide a substantial surplus for export, these products are free of positive list control. Rayon and other synthetics are exempt from control for the same basic reason. In the case of wool, where the United States is dependent upon imports to meet a major part of its needs, controls are likewise unnecessary because of the general adequacy of world supply and because of the traditionally low level of export demand.

Positive list controls over textiles, are limited to fibers not produced in the United States—jute, manila, and sisal—and to their products, including binder and baler twine. In general, exports of these commodities were higher during 1948 than in the prewar period. As before the war, however, exports have been relatively unimportant in comparison with domestic consumption.

Building materials

Few building materials normally enter the export market to an appreciable extent. Controls, therefore, have been exercised on a selective basis, and materials have been removed from export control as rapidly as permitted by the underlying supply-demand situation. An important action in this field recently was the decontrol of gypsum board and lath, the interior wall materials most widely used in residential construction.

At the present time only a few building materials items remain under export control. These are the items presently in shortest supply, such as water-closet sets, metal window and door frames, cast-iron soil pipe, iron and steel conduit, and woven-wire screen cloth. Exports of prefabricated houses also are subject to individual licensing. Continued selective control is essential in this field in order to prevent excessive drains on the domestic supply which might impede needed construction.

Coal

The coal situation improved materially in 1948, both in the United States and abroad. Increased production in western Europe, as well as the scarcity of dollars, has eased the pressure of demand upon the United States, and domestic production has been adequate to supply both domestic needs and reduced foreign requirements.

The decline in foreign requirements, coupled with continued high levels of production and rising stocks, have permitted a relaxation of export restrictions. Since September 1948, coal has been under open-end quota, and applications have been licensed freely. Controls have been maintained chiefly because of continued shortages of high grades of low-volatile coal. If production continues to increase in Europe and is maintained near current levels in this country, it may be possible to delete coal from the positive list in 1949.

Petroleum

The petroleum-supply position this year has proved adequate not only to meet the seasonally high summertime demands for gasoline, but also to permit the build-up of substantial inventories of heating oils to meet the needs of winter consumption. A careful check has had to be maintained on the volume of exports, however, because petroleum continues to be in seriously tight world supply.

The balance in supply and demand was achieved in this country in 1948 by importing more petroleum than was exported. This is a basic change from prewar when, in 1939 for example, exports were five times as much as was imported. In recognition of the increased dependence of the United States and western Europe upon petroleum supplies from the Middle East and Latin America, the Government has followed a policy of supporting petroleum projects in those areas with such materials as could be made available. About 80 percent of the steel allocated for export for all project purposes—petroleum, mining, transportation, food, and so forth—is being used for petroleum operations.

Chemicals and drugs

The year 1948 was, in general, a peak-production year for chemicals and drugs, by the end of which many of the more acute supply shortages had been overcome. A major factor in the postwar world shortage in this field has been the disruption of the European industry. The increased production in the United Kingdom and Germany during the past year and the expansion of output in Italy, Switzerland, South Africa, Canada, and Australia

in food production, are always inclined to take an overly pessimistic outlook. Be that as it may, officials of the Department of Agriculture have demonstrated a timidity or hesitancy—even when crops have been harvested and surpluses piled up—in acting promptly and forcefully to keep the domestic supply-demand situation in normal balance. This particular problem is, of course, administrative rather than legislative, and I am hopeful that the Department will profit from the current disastrous experience in fats and oils. In all fairness, it must be admitted that the unreasonably long delays which brought on the present crisis in fats and oils is attributable primarily to the slow motion of the so-called interagency setup rather than to inaction by the Department of Agriculture.

All of these facts were brought out in detail in the committee hearings on this bill. Consequently, I offered two amendments in committee: One, proposing that the Secretary of Agriculture should have full jurisdiction over agricultural exports, without review authority by the Secretary of Commerce; the other, proposing to remove fats and oils from export control. Although no one challenged the facts on which my amendments were based, they failed to get majority approval.

I, therefore, decided to offer these amendments on the floor of the House. However, two recent developments have caused me to change my plan somewhat; in the first place, the Department of Commerce has, because of mounting criticism and pressure, at long last placed fast and oils under general license. This action, belated though it be, has the effect of removing them from export control except as to destination; secondly, the Senate has now approved a bill which contains an amendment purporting to provide decontrol of agricultural commodities when in surplus.

Frankly, Mr. Chairman, it seems to me that the Senate amendment could be improved materially by rephrasing. Roughly, it provides for decontrol when the Secretary of Agriculture makes an affirmative finding that there exists a surplus of an agricultural commodity. In my opinion it would be more satisfactory if the amendment provided that the controls would be imposed only when the Secretary of Agriculture made a finding that there was a shortage of a given commodity.

Nevertheless, because I have come to the reluctant conclusion that it may be the best amendment which it is possible to enact at this time in this Chamber and in order to expedite action on this urgently needed legislation, I propose to offer, at the appropriate time, the Senate amendment, which reads as follows:

The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

If this amendment is not enacted, there is nothing to prevent the reimposition of controls at the whim of the Department of Commerce. Legislative action is necessary to assure our producers that abnormal surpluses shall not be permitted to demoralize domestic food markets while world food supplies are pitifully inadequate.

Mr. Chairman, it is my conviction that the Secretary of Agriculture should be given final responsibility and full authority for determining the quantities of agricultural commodities, including fats and oils, which are in excess of our own needs and thus available for export. The Congress cannot, of course, insure that the Secretary will exercise this power well. But, by centering the authority and the responsibility in the Secretary of Agriculture, the Congress will remove some of the cooks who may have spoiled the broth up to now. The enactment of this amendment should serve notice that the Congress will no longer tolerate indecision, inaction, and long delays which impair our national economy. The costly fats and oils tragedy must not be repeated.

Accordingly, I urge Members on both sides of the aisle to support the amendment which I will offer at the proper time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield.

Mr. AUGUST H. ANDRESEN. I am sorry I was not present when the gentleman started, but is it a fact that the Department of Commerce has removed the restrictions on the exports of fats and oils?

Mr. TALLE. The Department took such action first on inedible fats after hearings on the pending bill were under way. A few days ago controls were relaxed on edible fats. The Department was under great pressure to do so—but of course under present law the controls can be reimposed.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield just for a moment?

Mr. TALLE. I cannot resist yielding to my distinguished friend from Georgia.

Mr. BROWN of Georgia. The gentleman from Iowa is a splendid member of our committee. He understands the subject which he is now discussing. He has been in attendance every minute at the committee meetings.

Mr. TALLE. I thank the distinguished gentleman from Georgia very much.

Mr. BROWN of Georgia. I expect to offer this amendment on page 3 after line 2:

Page 3, after line 2, insert the following new subsection:

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

That is practically the same amendment, I think, that was adopted by the Senate.

Mr. TALLE. I propose to offer the Senate amendment, so we are in agreement on that.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. HOEVEN. First of all, let me congratulate my colleague on his splendid presentation. I understood my colleague to say that unless this amendment was adopted, the authority would still rest in the Secretary of Commerce to determine whether or not these controls should be imposed or removed.

Mr. TALLE. The gentleman is right.

Mr. HOEVEN. It is further my understanding, gathered from reading news reports some days ago, that the White House had assured the chairman of the Committee on Banking and Currency that hereafter jurisdiction would be lodged in the Secretary of Agriculture and not in the Secretary of Commerce. Would the gentleman care to comment on that? It is my understanding this is one of the reasons why an amendment such as now proposed, was not adopted in the committee.

Mr. TALLE. I may say to my colleague that that was stated at the time I introduced my amendments in the committee for the purpose of doing what I am trying to do now in one amendment.

Mr. DOLLIVER. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. DOLLIVER. I want to compliment the gentleman on the very fine exposition he has made of this matter, and would like to ask this question: In your opinion, was the break in the price of livestock in the markets, beginning along last fall some time, brought about by the surplus of animal fats and other kinds of fats in this country?

Mr. TALLE. Oh, there is no doubt but that there was a very direct connection.

Mr. DOLLIVER. Would the gentleman explain the connection, please?

Mr. TALLE. Well, I will merely repeat what I said earlier, that the price of lard really determines the price of hogs. Obviously, if you have a stopper to the normal outlet for lard supply that is bound to back up and influence the price of the hogs. The result is the farmer gets a lower price for his hogs. But the packer must get a higher price for the meat on the hog when he fails to get the normal price for lard.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to my colleague from Iowa.

Mr. JENSEN. I want to compliment the gentleman on his able presentation, and ask this question: Has anyone in America or in the whole wide world benefited by the piling up of fats and oils in America except the soap manufacturer? Can the gentleman think of anyone, except the soap manufacturers, who has profited?

Mr. TALLE. I will answer that by saying that it certainly has been very harmful to the people who should get the money; that is, the cotton farmers who bring their seed to the crushers, the hog farmers who bring their hogs to market, the soybean people who bring their soybeans to the crushing mills.

They are the people who do the hard work. Certainly they should have a just reward for their arduous toil.

Mr. JENSEN. The low price of lard and fats and oils raised the price of meat, did it not, naturally, in order for the packer to make a profit?

Mr. TALLE. He had to, otherwise he could not come out even on his operations.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. SPENCE. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I am pleased to hear the gentleman from Iowa [Mr. TALLE] is in favor of the amendment which I shall offer at the appropriate time. I am glad our minds are together on this amendment. It makes me more sure that I am correct in offering it.

Some time ago the people representing the growers of agricultural commodities and the processors came to my office and told me what they wanted. They wanted the authority in the Department of Agriculture instead of the Department of Commerce to say how much surplus we had, and then to say how much of the surplus we could afford to export to other countries. This is the principal thing they complained about. In the committee it appeared as if most of the members of the committee were in sympathy with the proposal that the Department of Agriculture should have this authority. The President called up our chairman and then called me and said that he hoped I would not offer the amendment. I read him the amendment and he had no objection to it and said I could assure the committee that he would delegate this authority to the Department of Agriculture. Therefore, I did not offer the amendment in the committee.

Since that time the growers and processors have decided that agricultural commodities should be decontrolled when in excess of the requirements of the domestic economy except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2. That is the amendment I shall offer later and is the amendment referred to by the gentleman from Iowa [Mr. TALLE].

Mr. Chairman, the Secretary of Commerce or his assistant appearing for him at the hearing in behalf of H. R. 1661, said that—

> Generally speaking, the purposes to be accomplished by this bill are to protect the domestic economy by limiting exports of scarce materials, and to channel exports to countries where need is greatest and where our foreign policy and national security interests would be best served.

If this policy is adhered to, there would be little or no objection to it. Generally speaking, export controls do not promote trade and commerce for our products here, and we should have controls only under certain emergency situations. I do not believe that it was ever the intention of Congress to have surplus commodities under controls.

Our policy for years has been to do away with all restrictions which impede commerce, especially with reference to surplus commodities we have to sell.

No one should oppose the export control of critical and strategic metals and minerals.

The testimony at the hearing made it clear there are a number of commodities still in short supply in this country and in the world, such as steel, petroleum, and electrical goods. There are also a number of commodities of high strategic value, particularly special metals, which are in limited supply here and abroad.

I agree that this Government should have the power to control the exports of these items in short supply in order to control inflation at home. For our national security I also believe we should not permit unlimited export of our limited supply of strategic commodities.

Furthermore, it appears prudent from the standpoint of our national security to vest in the administration the power to control the destination of certain strategic and critical items. Also, we are committed to a policy of rehabilitating and assisting the countries participating in the European recovery program. I think the people of this country are in accord with these broad objectives. At least we in the committee have heard no objections to this policy.

In granting such powers, the authority must obviously be rather broad and must contain considerable discretion. The Congress clearly is not in a position to determine which individual commodities should be controlled, to what destination, when, and for how long. For this reason the over-all power is given to the President and he, in turn, is given the right to delegate this authority.

It is the administration of the export-control program that has concerned me. I have not been satisfied with the way the program has been administered in the past. We have endeavored to see to it that the administration will be improved in the future.

The particular complaint in the past has been that controls have been retained longer than necessary. In the case of fats and oils, for instance, strict allocations and individual licenses were still required long after the supply situation had completely changed from one of shortage to one of surplus. This year, for instance, the production of edible fats and oils was about 550,000,000 pounds larger than last. Crop reports indicated this surplus months ago. The market reflected the surplus months ago. Crude cottonseed oil, for instance, dropped from about 40 cents per pound in May of 1948 to 20 cents in November, to 14 cents in January of 1949 and to about 11¼ cents last week, several cents under OPA prices. The storage tanks were overflowing with oil, crushers were refusing to buy the farmers' seed. Cottonseed prices were halved in a period of weeks from $80 per ton to $40 last week. At the same time, foreign countries still very short of edible fats and oils were clamoring to buy our oils. Our competitors were selling edible fats and oils in world markets for dollars at 30 to 50 percent above our domestic prices. In face of the of the obvious the administration did too little too late.

Upon investigation we found the procedure for making allocations and administering controls cumbersome. Export policies on agricultural commodities were being considered by large, unwieldly interagency committees of such uninterested parties as the Atomic Energy Commission. The bottleneck we found was the Department of Commerce, which had the final authority over all commodities, even agricultural commodities. Many of us felt the Secretary of Agriculture was the only person qualified to determine the exportable surplus of agricultural commodities, and that he, not the Secretary of Commerce, should have the final authority in controlling exports of any agricultural commodities.

To implement the program and improve the administration, I prepared an amendment to the bill to transfer the authority over agricultural commodities from the Secretary of Commerce to the Secretary of Agriculture.

The President called and talked to the gentleman from Kentucky [Mr. SPENCE] and to me about the amendment, and assured us that he would make such a delegation of authority to the Secretary of Agriculture under the general power conferred upon him by this proposed legislation. I therefore did not offer my amendment.

There was another development that had important influence on the action of the administration on export control of fats and oils. The Senate passed a companion bill on export control, S. 548, with an amendment requiring decontrol of agricultural commodities during any period in which they are determined by the Secretary of Agriculture to be in surplus, provided such action does not interfere with our international obligations and our national security. This amendment was intended as a guide for the Secretary of Agriculture in controlling exports of agricultural commodities.

Following Senate action and further prodding by Congressmen, the Secretary of Agriculture agreed to the decontrol of edible fats and oils. Commerce supported the position and announced the decontrol under the terms of which allocations are discontinued and individual licenses are discontinued to all countries outside Europe and the U. S. S. R. There individual licenses are still required on fats and oils as they are on all commodities.

I am convinced the transfer of authority over agricultural commodities from Commerce to Agriculture, as the President has assured us he will do, will improve the administration of the program. At the same time, it may also be well to write into the bill a guide for the Secretary of Agriculture to follow, namely, that he will decontrol agricultural commodities when they are in surplus. Writing such a standard into the legislation should prevent the delay in decontrolling other agricultural commodities as was experienced in inedible and edible fats and oils by making decontrol automatic while the surplus exists. This would not interfere with the authority to control shipments to Europe under license.

In this manner the objectives of the bill—controlling exports of scarce and

strategic commodities—can be assured and the danger of controls thwarting trade in general commodities can be minimized.

Some people believe that the reason edible fats and oils are selling for much higher prices in Europe than here is because our surplus of oils and fats is being held back.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield.

Mr. ALBERT. Did your committee find out why the Department of Commerce would not issue export licenses, in view of the domestic and world situation with reference to fats and oils?

Mr. BROWN of Georgia. I did my best to find out. I took up about two-thirds of the time of the committee. I practiced law a great many years before I came to Congress. Sometimes a lawyer has to do a little testifying with an unwilling witness. I had to do it in this instance. I think if the gentleman will read the hearings he will find what he wants.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, in 1940 the Congress enacted legislation which gave the President authority to control exports. That power has been continued periodically. Last year the power was continued until February 28, 1949. The powers which the President has had have not been materially changed since their inception in 1940. The only change that I recall that has been made was when the extension was enacted last year, the Congress provided that the President might take into consideration price criteria in determining to whom these licenses should be granted. I never quite knew why we gave him that authority. I argued that to give him the authority would perhaps result in certain discriminatory practices which would not be conducive to stability either in the foreign market or the domestic market. Some were unkind enough to charge that under the price criteria provisions the President could invoke control of the prices of commodities of domestic production. I bring that out only to show that during the time that this export control authority has been in existence, from 1940 down to date, covering the period of preparedness, covering the period of the war, covering the 3 years of postwar economic adjustment throughout the world, the President has not asked for any additional authority than that granted him in the original 1940 act, until this relatively inconsequential change was made last year.

We reenacted this legislation last year as an aid to inflation control. There were two basic reasons why we had inflation: One was the loose money policies of the Government; the other was the unusually heavy demand by foreign countries for American goods in short supply. In order that he might balance foreign demand against domestic stability we gave the President almost carte blanche authority to control exports; we gave him the authority to prevent all exports from the United States if he saw fit to do so and if it were necessary to protect the domestic economy. We gave him authority to do anything short of this total embargo against any exports, and for 7 years there has been adequate, there has been sufficient, power to enforce export controls.

This bill is probably the first of a very important series of bills which might be presented to this Congress. This bill and the action which you take on this bill sets the pattern. Here is the importance of it: You build the framework of government for years to come; this is the pattern that you cut out for the future of America. I say that because it is now indicative of a change in policy, indicative of the fact that there are still two forces at work in America; one which prides itself on its zeal, desire, and almost insane ambition to perpetuate all of those things which have made America great and strong and potent in world affairs—we call it the American way of life. As opposed to the American way of life there is a large and ever-growing group in America which teaches that we should abandon the American way of life, which teaches that we should adopt totalitarianism and the socialistic state if America is going to expand economically, socially, and politically in its influences. They teach that we must borrow from the works of Marx in order to perpetuate the prosperity which we have enjoyed throughout the last one-hundred-and-fifty-odd years. The issues are clearly drawn between those who would perpetuate the American system and maintain America as a strong economic, social, and political influence and those who would appeal to radicalism, totalitarianism, collectivism, socialism, communism—whatever you may call it in any form. That is the basic problem before the American people, and let me repeat, this bill determines what the superstructure of government will be, whether the American system of government is going to be changed from one of free enterprise to one of a managed economy.

It his been asked, why are these new powers, when production is increasing in western Europe, in the face of the fact that in western Germany production has increased over 100 percent during the last year and when production in the other western democracies has increased anywhere from 25 to 80 percent? Why is it necessary to expand the power which the Executive has in respect to export controls if it is not a desire to effectuate the purposes of those who would destroy the fundamentals of American democracy and substitute therefor totalitarianism or socialism?

It is a serious question and one in which you will have to explore the depths of your own conscience to find the answer.

I do not think anyone will contend that the world economic situation is as bad today as it was 6 months or a year ago. We all like to feel that the help which we have given to foreign countries has resulted in increasing production and a very, very long step toward economic stability in many of the foreign countries. So attention should be given to our own economy and the stabilization of our own economy.

My very honored and dear friend, the Chairman of the Committee on Banking and Currency, for whom all of us have great respect, the gentleman from Kentucky [Mr. SPENCE], asks, "Why be so captious about a few words?" Well, a few words have changed the destiny of the world and the few words he refers to in this bill can cause a change in the very form of government here in America.

He says we should not have any apprehension about the administration or operation of the plan. Well, the gentleman from Idaho and the gentleman from Georgia have pointed out that because of the failure of the administration to balance foreign demand against domestic stability, the bottom has dropped out from under the domestic market for fats and oils. So, we must take legislative action to correct the deficiencies in administration in the law already.

The same man who is to administer this law is the man whom this Congress once voted out of office, and is now the subject of a controversy as to whether he leans more favorably toward the American system, or the totalitarian system. He is the man in the Department of Commerce who administers this law. We should have some apprehension about the administration of this law, especially when it presumes to give such broad and unusual powers which are not needed any more than they ever have been needed since 1940 to do an effective job in respect to export controls.

Let us point to one or two of them by way of example.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Kentucky.

Mr. SPENCE. I would like to know who the gentleman is speaking about. Is the gentleman speaking about the Secretary of Commerce?

Mr. WOLCOTT. Oh, no.

Mr. SPENCE. Or the Secretary of Agriculture?

Mr. WOLCOTT. No. William W. Remington.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Chairman, I yield myself five additional minutes.

Now, Mr. Chairman, if you will refer to the bill on page 2, line 19, you will find this language:

> To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to financing, transporting, and other servicing of exports and the participation therein by any person.

Now, they are to be given under this bill, if this language remains in here, the authority to regulate the financing and transporting of goods for export; and the purpose of the controls of exports found in the declaration of policy is so broad that when you tie that language in with the declaration of policy, you give the administration the power to manage the domestic economy of the United States. Do we now, 3½ years after the cessation

of hostilities, in peacetime, even though it is a de facto peace, desire to enlarge the powers, expand the powers, the war powers, which the Government had? Those are the important questions and those are the problems which this Congress, in this bill, have got to solve because, as I said, this is the pattern you are making today. This is the pattern. Do you want to give authority that the Administrator will be able to control over which railroads commodities being sent from the Midwest and the far West to the Atlantic seaboard shall be shipped?

The broad interpretations by the courts on what constitutes interstate commerce are to the effect that anything which affects interstate commerce is subject to the commerce clause of the Constitution. Applying that same logic to export controls, this administration under this act can go into any banking house, any financial institution, and explore into the actions of individuals in respect to financing, the manner in which exports shall be financed. We do not set up any standards limiting the control of the financing, and when we do not set up any standards with respect to control of financing or transporting, of course we give them carte blanche authority—it is very doubtful whether it is constitutional or not—to do what they please in respect to financing and transporting and other servicing. What do they mean by that? Do you know? I do not. What do they mean by "other servicing" of exports? I do not know.

That language, Mr. Chairman, coupled with the declaration of policy, gives the administration the power to control the domestic economy of the United States. Can you now think of giving them the authority to control the economy of the United States or manage the economy of the United States, when you have on such frequent occasions during the cessation of hostilities denied them these powers?

Any official may be designated to administer this act, not any official named by the President and confirmed by the Senate, as we have always written into these laws wherein we transfer and delegate broad executive powers to an official. We have always compelled them to be officials that at least Congress has something to say about appointing. But an official in this instance might be a section head, because they are left to interpret the act as they see fit. It may be a clerk or a stenographer, who becomes an official upon being designated.

In addition to all the other powers they are given under this act, regulations and orders and licenses may be granted under such standards, such criteria, as may be deemed necessary to carry out the policies of the act. Standards or criteria deemed necessary by whom, and within what limitations? No limitations whatsoever, but standards and criteria established by some department, some agency, or some official, without restraint so long as that official holds that a standard is necessary and a criterion is necessary to effect the purposes of this act, which might include the management of the domestic economy. He can make such standards and criteria effective, and effective how? By providing in the act that if any of your constituents being subject to the provisions of any of these regulations set up to control exports or the domestic economy violate any of these standards or criteria promulgated under regulations issued by any official of the Government, they can be sent to prison for 1 year and fined $10,000.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. LYLE. Will the gentleman take a moment to clear up a couple of points? In the hearings and investigation before the committee on this bill did they go into the past history of the administration of this act?

Mr. WOLCOTT. Yes, there was a good deal of testimony with respect to that.

Mr. LYLE. Did you find any reason then to anticipate that it might be poorly administered and that they might take liberties, as you suggest they can under this act?

Mr. WOLCOTT. No, because the act was so limited that they could not take these liberties. They could not establish standards. The only criteria that they could establish was the one having to do with prices which we provided for last year. Therefore, unless we give them this authority that they are asking for, they have no authority to set up these standards and criteria other than on prices.

I am sorry I cannot yield to the gentleman further.

If you turn to page 4, line 13, you will note that these departments and officials may make investigations and obtain information and require reports for the keeping of records and they may make such inspections of books and records and of other writings or of the property or premises of "any person," and they can take the sworn testimony of "any person." Surely I think that that should be confined to any person who makes an application for an export license because if this provision is enacted into law, then it would apply to any business which is doing a purely domestic business, which might be in competition with another concern doing an export business or another concern doing both export and domestic business because it affects exports. The administration would have the authority under such a law to go into any industry or any business establishment or farm and inspect the property and premises and take the sworn testimony of those persons. This is a new and unusual power which has never been given to the Government even in time of war.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. VORYS. Before the gentleman leaves that point with respect to "any person," would that include, let us say, the books and papers of the gentleman from Michigan who is now in the well of the House, whose records might be necessary or appropriate in connection with the administration of this act? I see no exception so far as Members of Congress are concerned.

Mr. WOLCOTT. I assume that under the Constitution we might have certain immunities which our constituents who are fortunate enough to be in the business, the professions, or agriculture, might not have.

You will recall that throughout the years we have discussed what has been called the snooping clause in bills before us. We have always protected our farmers, wage earners, businessmen, and industrialists from abuses with respect to the power to gather information which has been vested in various departments of the Government. But there is no such protection in subsection (c) on page 5. That section reads:

> No department, agency, or official exercising any functions under this act shall publish or disclose information obtained hereunder—

That is fine up to that point. Now, reading that hurriedly, one might say, "Well, they are given protection because the departments cannot publish any of this information." But it goes on to say, "which is deemed confidential." Deemed confidential by whom? The person seeking the information? The agency or official seeking the information? Whether one of those deems it confidential?

Now, it goes on with what looks like further protection:

> with reference to which a request for confidential treatment is made by the person furnishing such information—

If you stop there, they are given protection. If the person from whom the information is sought wants the matter to be treated as confidential, up to that point the matter is treated as confidential. But the following qualifies this language:

> unless the head of such department or agency determines, that the withholding thereof is contrary to the national interest.

There are no standards with respect to what constitutes the national interest, in this act. It is left wholly to the discretion of the official or department or agency as to whether information, trade information, information in respect to competitors, information in respect to patents, trade practices, farm practices, industrial practices, which may be of great value to a competitor—that information is not protected.

Now, the sensible thing to do, in the light of the changes which are now taking place in our economic conditions—and regardless of the details, we all do know that something is happening to our domestic economy now—the sensible thing to do is to continue these controls for a year as is; and then in another year or later in the term, if we have to, we will determine what controls are further necessary to fit them into the new pattern which will be cut after we know what is happening to the American economy.

I am going to offer as a substitute for this bill, at the proper time, a bill to continue these controls as they exist in the present law, for 1 year. I hope that the committee will consider it as a very sensible request and will support it.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. WOLCOTT] has again expired.

Mr. SPENCE. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. PATMAN.]

Mr. PATMAN. Mr. Chairman, I heard the distinguished gentleman from Michigan [Mr. WOLCOTT], who is a very valuable member of our committee, and who was chairman of the committee during the Eightieth Congress, state that this bill sets a pattern; that the American way of life is involved; that we are determining by our votes now whether we will have a socialistic state or that our vote on this bill will determine whether or not we are changing from a free enterprise system to a managed economy or to a totalitarian government. I do not share his views.

After saying all those things about this bill, the distinguished gentleman finished his speech by saying that he was for it for 1 more year.

CRITERIA USED IN EXPORT LICENSING

There is no single criterion which can be used to divide export quotas among all exporters with perfect equity. To carry out the purposes of export controls as authorized by Congress, a number of criteria or standards have had to be established for the approval or disapproval of export applications. The problem varies almost with each important commodity. Experience has also shown that there must be permitted administrative flexibility in determining proper criteria to meet changing supply and market conditions as well as current foreign policy and national security objectives.

The following are the criteria most regularly applied, and the reasons therefor:

ELIGIBILITY OF APPLICATIONS

Except for the requirement that a license applicant must be subject to the jurisdiction of the United States—a requirement of obvious enforcement significance—everyone is eligible to apply for an export license.

However, certain criteria have had to be established in order to make sure that licenses will be properly used, after issuance. An illustration of such criteria is the requirement that applicants must have valid orders for export or contracts or other satisfactory arrangements for the delivery of the goods involved. Another illustration is the requirement with respect to some commodities that the applicant present proof that the goods are available to him for shipment if the license is granted. Criteria of this nature also serve enforcement purposes in that they help to prevent trafficking in licenses and speculation by license holders, as well as waste through failure to use all of the limited export quotas.

To carry out the objectives of export controls, other standards or criteria must be applied in selecting applications for consideration. These include, for example, the intended foreign consignee or destination, and the end-use involved. The pertinence of these criteria in terms of foreign policy or national security is self-evident.

To a limited extent and as an anti-inflationary measure, for which export controls are also intended, some applications may be disqualified for exports proposed to be made at obviously excessive prices.

The last sentence of section 4 (b) of H. R. 1661 provides for authority to employ the foregoing standards or criteria and such others as may be deemed necessary to carry out the policies of the act.

DISTRIBUTION OF EXPORT QUOTAS AMONG QUALIFIED APPLICANTS

This problem arises only when the total quantity of a commodity which can be spared for export is substantially less than the total of qualified applications therefor. Prorating limited export quotas equally among all applicants is not a practical or equitable solution to this problem. It would result in alloting to each applicant very small amounts which could not usually be shipped economically. It would also be manifestly unfair to established firms with long records of supplying a major portion of foreign markets. Therefore, the qualifications of the exporter are taken into account. While licenses cannot be approved for all applicants, each class of applicant—merchant exporters as well as producers, and established and new exporters— is given a share of the export quota. The extent of such shares may vary with the commodity involved and the nature of the trading therein. Accordingly, committees of representative businessmen in each major commodity field have been established to advise the Office of International Trade for this purpose. In this connection, attention is directed to the first part of section 4 (b) of H. R. 1661, providing for the application of such criteria and further requiring that there shall be representative trade consultation in determining the proper distribution of licenses.

I would like to call your attention to the difference between the present law and the bill that we have before us.

First, the policies set forth in this bill are practically the same as the policies set forth in the law that was passed by the Eightieth Congress, when the distinguished gentleman from Michigan [Mr. WOLCOTT] was chairman of the Committee on Banking and Currency of the House, and sponsored the bill in the House. There is no substantial difference in the policies.

Next, may I invite your attention to the fact that this bill is not opposed by the trade. Further, especially, I desire to invite your attention to the fact that no one has criticized the administration of this law, either present laws or the laws before it. We have had no charges of unfairness in the past, since 1940. Why should we assume that we will not have good administration in the future?

May I invite your attention further to the amazing fact that nine-tenths of the commodities under control during the war have been decontrolled? Putting it another way, only one-tenth the number of commodities formerly under control are now under control, and it is absolutely necessary that some restraints or control be placed over these scarce and vitally essential articles and commodities.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. During the war there were something over 3,000 items under control. Today a little less than 386 commodities are under control.

Mr. PATMAN. That is right; about 10 percent.

Mr. SADOWSKI. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. SADOWSKI. Did the gentleman say there has been no criticism of the administration of this act?

Mr. PATMAN. That is right; no criticism has been urged. That is, I mean, no charges of unfair administration. The trade is in favor of it.

Mr. SADOWSKI. None of the exporting or importing companies have criticized the administration of it?

Mr. PATMAN. No; not one.

Mr. SADOWSKI. I have heard and I have received quite a few protests about the administration of the law.

Mr. PATMAN. I am just talking about the testimony before our committee. That is all I have to go by.

Mr. SADOWSKI. I have received and I believe other Members of Congress have received, protests about the administration of the export-import controls.

Mr. PATMAN. The gentleman is giving me the first information I have had on it. I am talking about the information we had before the Committee, the only information I had to rely upon.

Mr. SADOWSKI. I could cite to the gentleman one particular instance.

Mr. PATMAN. I do not want to yield for that purpose right now, if you please; because I am talking about the testimony before the committee and we had a number of witnesses. The trade did not oppose it. There was no criticism of the administration.

REA

There is one group in this country that is vitally interested in the passage of this bill; they are the REA's. More than 600 Rural Electrification Administration cooperatives are vitally interested in the passage of this law. They know that if there is not some control their opportunity to get valuable conductor for electricity will be greatly limited. With proper export control and screening the applications that only permit that to go out of the country that is absolutely necessary, the REA's will get more conductor for electricity. So every REA in this Nation, every one, is vitally interested in the passage of this law.

SMALL BUSINESS

Another group is a small business group. They know that if too much of these scarce items, articles of trade, go outside of the country that the opportunity for small business to get an adequate share of these items will be greatly reduced. The big man can look after himself; he will get plenty through reciprocal trading with the other big concerns of the Nation; he does not want for scarce materials or items; each supplies the other. But it is different with the small businessman. He is the fellow who is first hit when we send out of the country these scarce materials that are needed here to supply the needs of small business. So there are two groups

vitally interested in the passage of this law, not weakened like the gentleman from Michigan said, but with good enforcement provisions in it as well. Let me give you an illustration of a law that was passed by the Eightieth Congress that will demonstrate to you why no weak law should ever be passed. If you are going to do anything, do it right with the right kind of provisions for enforcement: The Rent Control Act of 1947, passed during the Eightieth Congress. It gave the tenants no security at all. Oh, the tenant had the right to sue for treble damages, but if he did the landlord had many ways he could evict him; so the result was that the tenant would not dare sue for treble damages, the tenants would not dare resist the landlords if they demanded an increase of 25 or 50 percent. They gladly and willingly paid because they knew they could be evicted under that law. Tenants all over the Nation have paid these illegal rents and the landlords have accepted them. I believe it runs into millions of cases. The law has been generally disregarded for the reason that the tenant has no adequate security if he refused to pay the rent or if he attempted to sue for damages to get it back. He would be put out instantly.

If we vote for a strict and rigid rent-control law it will have the effect not only of rolling rents back but protecting the tenants. You will remember in those illegal cases the awful time we had in the old OPA days. There was no satisfactory way of doing it. So by reason of that weak rent control law we are now called upon to vote not only to roll the rents back in those millions of cases but to arm that tenant with security. He will go to the courts of the country and sue the landlords for treble damages for the past year. He will then be secure. At the present time he is not. That is the result of a weak law not enforced and no adequate means to enforce it. If we are going to have a law let us have one that can be enforced and enforced right.

Much has been said here that the Secretary of Commerce should not be the one to enforce the law. Why, the Eighteith Congress wrote that into the act. It was never there before. Under the law passed by the Eightieth Congress the enforcement of the act was not restricted as it is in this bill to one designated by the President, a department, agency, or official of the Government. Under the old law he could even appoint a clerk or a citizen, one who had never taken the oath and probably would not be required to take it. This restricts it to officials of our Government. So this is a restriction rather than a loose phrase as appears in the existing law.

There are three main provisions in this new bill that will amend existing law which I think are vital.

First, it provides for consultation with industry. When the first OPA bill came up we spent 4 months examining witnesses and interrogating witnesses about price control, four long months, sometimes in the night as well as in the day. At that time I had the privilege of offering the first amendment requiring consultation with industry and that went into the original OPA act. Heretofore, we have not had a compulsory consultation with industry and trade in this law, but our committee in bringing this bill out this time requires it by a provision on page 3. It is a good one and will protect your REA's and your small businesses and other people who are not a part of the big business interests of our Nation. It protects small business.

The second concerns violations. Heretofore it has been difficult to enforce the law because the penalty was such that a grand jury indictment was necessary before you could proceed in the courts. This changes the penalty so that an information can be filed by the United States district attorney and therefore there should be no delay in the enforcement of the provisions of this act.

Those two provisions are vital—consultation with industry and the penalty provisions changed so that the law can be enforced without being cumbersome as has been the case in the past.

The third is permitting enforcement. They have been hamstrung in the enforcement of this act because they did not have power to go behind the fronts and see who was really making the application for permit. They could not go back and see the people behind him, they could not examine books and papers. This bill, if enacted into law, will give them the enforcement weapons and vehicles that any law-enforcement officer needs in order to adequately enforce a law. It is the usual and customary provision in a law that you really want to enforce. Now, if you want to do it like the Rent Control Act and just make it so weak that it cannot be enforced, just take the teeth out of this provision as stated by the gentleman from Michigan. But, I do not believe that the Members of this House want to do that. You want a law that can be enforced, and adequately and properly enforced.

The steel situation in this country is still a critical one. We do not have enough steel. We lack 10,000,000 tons of steel this year for maximum employment and production. Do you not think that we should have somebody to carefully screen these applications for export of steel to make sure that it is absolutely necessary that it be exported or that it not be exported at all?

The same is true as to copper, zinc, lead, tin, and aluminum, and especially aluminum that the REA is using now as a conductor.

Then there are certain items of food.

Textiles, I believe, have been taken off the positive list. An item on the positive list is one where it can be exported without a permit to all countries in the world except the R countries, the Russian countries; that is, Russia, her satellites and European countries. They remain on the R list after they have been taken off the positive list, and they should remain there, depending whether or not they can be used for military purposes. That is the object of it.

Some building materials are still critical and we should carefully screen certain items before we permit them to be exported.

The next is petroleum. We have plenty of petroleum now, and that is not a problem, but with certain chemicals and drugs and fertilizers there is. We have some fertilizer that is in supply, but most of the fertilizer generally used in this country is scarce. Certainly we should screen the exportation of fertilizer.

Machinery and equipment and other vital items should be screened in the same way and manner.

Insofar as this bill being a pattern for a socialist state, I notice that the main lobbying organizations now, the National Association of Manufacturers, the United States Chamber of Commerce, and the Committee for Constitutional Government, Inc., and those big groups that spend more money, each one of them, for propaganda, than either the Democratic or the Republican Parties spend, are trying to sell the slogan to the American people, "socialism, socialist government, trying to change our form of Government under Mr. Truman." Well, you know, it is an old trick to use a slogan or word like "socialism" or "communism" or "end of free enterprise" when they know it will take some time and logic and reason to answer such a slogan and word as used.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SPENCE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. PATMAN. That is an old trick. There is no socialism in this administration. It is in the direction against socialism. I will tell you the direction of socialism in this country, and that is monopoly, concentration of wealth, getting units of an industry all in one package. That is a sure step to Government ownership. They are your socialists. This Government is trying to save our country from socialism, and it is strange that the people who are crying out socialism against this administration never raise their voices to the extent of saying that they are against monopoly. They are not fighting monopoly or concentration of wealth; never a word from them along that line.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. WHITE of California. I want to make what appears to me a helpful observation in that philosophy, if I may. I notice the gentlemen who cry "Regulated economy" all the while never object when they have a regulation enacted that suits them. For instance, I refer to regulation W of the Federal Reserve Board, which regulates the credit of the little man in this country to suit big business.

Mr. PATMAN. That is right.

Mr. WHITE of California. Regulation W regulates the credit of the country in a way, which suits those gentlemen who ordinarily do not like regulation. They do not complain about that.

Mr. PATMAN. That is right.

Mr. WHITE of California. They do not call that regulation.

Mr. PATMAN. And that same Federal Reserve Board has almost wrecked our country two or three times.

Mr. WHITE of California. The gentleman is absolutely correct.

Mr. PATMAN. In 1932, when the banks and the railroads and the insurance companies convinced the then Administration that an RFC should be passed, it was confined only to those three. Remember that. Banks, railroads and insurance companies; and when the RFC opened its doors the first morning, who was down there with hat in hand to get the first money? The biggest bankers and managers of industry and commerce in our Nation. When we put out billions of dollars to them it was all right, there was no socialism there then, no, not at all, but when you come around helping the little fellows, as we did after the Democrats came into power, we changed that RFC act, we enlarged it, and we changed its powers to help the little fellow. Then they began to say socialism.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. LYLE. As I understand the gentleman, the main purpose of this legislation and the necessity for it is to protect the American consumer and American business against the shortages that might result from an unregulated export because of high prices and various other things.

Mr. PATMAN. The gentleman is correct.

Mr. LYLE. Second, the purpose is to protect our foreign policy so that we may have some control over the geographic distribution of our exports.

Mr. PATMAN. The gentleman is correct. That policy was stated in the bill passed by the Eightieth Congress and it is the policy that is stated in this bill.

Mr. LYLE. Have the investigations of the gentleman's committee convinced him that these restrictions are necessary?

Mr. PATMAN. They are necessary as long as materials are in short supply, like the materials needed by the Rural Electrification Administration and small business groups generally.

Mr. LYLE. Do you automatically decontrol those items when they are no longer in short supply?

Mr. PATMAN. They will be decontrolled by the President, as heretofore. As evidence, he has decontrolled nine-tenths of them. Only one-tenth remains.

Mr. LYLE. It may then be that long before this statute has expired there will be no controls at all?

Mr. PATMAN. That is right; it is possible.

Mr. Chairman, I hope the bill is passed as is, and that none of these devastating, destructive amendments are adopted.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. The Secretary of Commerce did not decontrol fats and oils, did he?

Mr. PATMAN. He was getting to it as rapidly as possible. Does not the gentleman believe he would have been doing the owners of fats and oils and the producers a great injustice to decontrol them if they did not have a market for them? They had to release the supplies as the ECA money was available to the countries that would take them. Suppose he had thrown all that supply on the market at one time, there is no way of telling how far the market would have gone down and ruined the producers. It would have hurt them much more. They were looking at it from that standpoint all the time, too. They were decontrolling it just as fast as the market could take it, which was in the interest of the producers in this country. When they reach the point where they can take the controls off entirely, as they have done with nine-tenths of the commodities, they take them off.

Mr. NICHOLSON. Is it not true that when they did not do it it cost every householder in this country a great deal more money for pork and beef, because of the fact that they had to sell their fats and oils half again as cheap as they could produce them?

Mr. PATMAN. I would have to study that statement a little bit before I would agree or disagree with the gentleman.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COLE of Kansas. Will the gentleman comment upon his statement about monopolies, with reference to the application of this bill, because this bill does permit a Government monopoly, giving certain individuals a privilege to export, a privilege to do business, when other individuals are denied that privilege.

Mr. PATMAN. Certainly, that is right, just as the Reconstruction Finance Corporation in 1932 had the power to deal with certain individuals, individuals who made application. The Department here will deal with individuals who make application, just like under the administration of every law. Certainly there will be no discrimination because none has been pointed out so far.

Mr. COLE of Kansas. There is a decided discrimination between individuals who apply.

Mr. PATMAN. I hope the bill is passed as it is, Mr. Chairman.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Chairman, I feel that the membership of the House should recognize the splendid talents of the chairman of our committee. I have never observed any individual who is fairer to witnesses and who makes a greater effort to hear all of the evidence, as was true during the hearings on this legislation.

The reason I take this time is to point out that I feel not enough time was given to one very important feature involved in this particular legislation during the hearings, and that concerns export controls on critical and strategic materials which we must try to bring together in this country for stock piling for our national defense.

I shall extend my remarks bearing upon these critical materials that we are trying to stock pile in this country. I call briefly to the attention of the House that among the mining operations being supported at the present time under this particular program is a Chilean copper mine, the largest mine in the world, where virtually all of the production from that mine moves into the United States because of the extreme shortage in this country. There are bauxite operations in Trinidad, the entire output of which comes into the United States.

There is a chrome ore concentrating plant in Turkey, the output of which is under contract to the Federal Bureau of Supply. The stock-pile reserve of these materials is still critically short, and unless this legislation is passed without crippling amendments we can render a great disservice to our country.

The Department of Commerce, through its administration of export controls, is very much concerned with protecting the United States position with respect to critical and strategic materials. In general, export controls are used in two ways for this purpose; in the first place, they are used to limit exports of such materials from the United States; and secondly, they are used to channel exports of other essential supplies to certain mining and production operations in foreign countries upon which the United States depends for imports of critical and strategic materials.

The nonferrous metals—copper, zinc, lead, tin, and aluminum—all of which are in short supply in the United States, are subject to individual export licensing control to all destinations. The world-wide scarcity, the immediate needs of the strategic stock pile, the expanded military programs, the high level of domestic industrial activity, and continued foreign demands, all indicate that the shortage of these materials will not be overcome in the near future and will have to be controlled for export.

The increasing pressure on our supplies of these metals during 1948 was reflected in a tightening of export controls. Aluminum plate, sheet and strip were all added to the list of items controlled for export—so-called positive list—in August 1948 because of rapidly expanding domestic demand and a relatively high level of exports. The quotas which have been established for aluminum will result in a sharp decrease in the rate of exports during this year. Quotas for other nonferrous metals are also being reduced.

The United States has become increasingly dependent on foreign sources to meet a large portion of its nonferrous metal requirements. The high level of consumption during the war and in the postwar period has increased this dependence. In recognition of our reliance on imports for these basic metals, the Department of Commerce has made special efforts to stimulate foreign production and increase the volume of shipments to the United States.

Some special operations and activities in foreign countries are directly or indirectly of such high importance to the United States that they receive special attention in the licensing of scarce materials. In many of these cases, supplies obtained from the United States are used

for production of strategic, critical, and essential materials for export to this country, or to other countries which would otherwise require such materials from the United States. In others, such as the maintenance of certain railway systems or power-generating plants, the purpose is to provide at least a minimum degree of support to the basic utilities and facilities of countries chiefly or entirely dependent upon us for needed supplies. In still others we are supporting various construction programs essential to public health in the countries involved.

The issuance of a special project license for such operations and activities does not constitute a commitment to meet all of their requirements for controlled materials. What it does mean is that, in view of the special nature of the projects, applicants submit their requirements for all materials under export control on a single form. This eases the administrative burden on the operating companies as well as on the Government, and permits a unified review of these requirements by licensing officials.

Among the mining operations being supported at the present time are a Chilean copper mine, the largest in the world, virtually all the production of which moves to the United States; bauxite operations in Surinam and Trinidad, the entire output of which comes to the United States; and a chrome-ore concentrating plant in Turkey, the output of which is under contract to the Federal Bureau of Supply, the stock-pile purchasing agency of the United States Government.

Much of the copper, lead, and zinc reaching this country from abroad is produced in mines which depend upon the United States for most or all of their material requirements. Tin production in Bolivia, which accounts for about one-third of our total imports, is also supported by materials received under project licenses. Other important metals, produced for shipment to the United States in approved projects abroad, include vanadium, cadmium, tantalum, tungsten, silver, fluorspar, chrome, high-grade iron ore, and bauxite. United States requirements for these metals, both to meet domestic demands and to add to our strategic stock pile, are at record levels. Imports furnish approximately one-third of our primary supplies of copper, lead, and zinc, and 100 percent of our primary tin supply.

In the case of bauxite, imports account for about 60 percent of United States supply. There are two large bauxite production operations in Surinam, and one in the Netherlands East Indies, which are being supported by the United States. The Federal Bureau of Supply has placed orders with these three projects calling for delivery of large quantities for the bauxite stock pile.

As an auxiliary to the bauxite production in Surinam, a recently qualified project covers the installation of an ore transfer station at Trinidad. This project will permit adequate transfer of ore from shallow draft to seagoing vessels.

Another major project under way involves the mining, transportation, and loading of high-grade iron ore in Venezuela. This ore will have an iron content of about 65 percent compared to 51 percent for the ore now being shipped from the Mesabi-Great Lakes region of the United States. This project will require large quantities of steel products in the next three quarters. If these requirements can be met, it is expected that iron ore will begin moving to the United States from Venezuela by mid-1949 at the rate of 2,000,000 tons a year, representing a substantial increase in the United States supply.

(Mr. DEANE asked and was given permission to revise and extend his remarks.)

Mr. WHITE of Idaho. Can the gentleman tell us how export controls and exports would have anything to do with imports of copper from Chile?

Mr. DEANE. As I understand the program, the advisory boards advising with the departmental organizations directing the program enter into conference to determine the extent to which it is necessary to control the export of critical materials in short supply.

Mr. WHITE of Idaho. The gentleman is speaking of imports of copper and other strategic metals from foreign countries, particularly South America. I cannot understand and I wish he would explain how export controls on exports from this country would have anything to do with the importation of these critical materials from those foreign countries.

Mr. DEANE. The gentleman is asking a good question and it is involved in this discussion. We are in the import business to the extent indicated because we simply do not have these critical materials. But I contend this legislation will protect the important stockpile of these critical materials which are necessary for our national defense program, and the bill should pass without amendments.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman and members of the Committee; I am sure that in the remarks made by the gentleman from Michigan, the former chairman of this committee, there are a number of items that certainly ought to be clarified before we go into the reading of the bill and the discussion of the amendments that he has suggested he may offer.

In regard to that phase, in carrying out the purposes of export controls, a number of criteria or standards have had to be established for the approval or disapproval of export applications. The problem varies completely with each important commodity. Experience has shown that there must be permitted certain administrative flexibility in determining the proper criteria to meet the changing supply and market conditions, as well as the current foreign policy and national security objectives. So it is not too easy to lay down a rule.

Experiences in carrying out the provisions of this act by the Department have led us to the point where, in asking for a continuation of this act, certain specific language should be inserted, not with the object of putting the clamps down, but to spell out a little more clearly so that everyone who is an applicant, everyone who is eligible to apply for an export license, may know more clearly just what the rules are and whether or not he is getting a fair deal under the provisions of the act. An illustration to this effect is the requirement in respect to some commodities, that the applicant present proof that the goods are available to him for shipment, if the license is granted. They should be in the nature of certain enforecement purposes, so that they may help to prevent trafficking in licenses, and speculation by license holders. That experience, the Department has had some dealings with. There have been charges and accusations made that the end-use provisions were not being carried out, as well as waste through failure to use all of the limited export quotas because a great many of these allocations were not being taken up. So it has been necessary, in presenting a continuation of this measure, to spell out and clarify, and to write into the act a new section, section 4, dealing with the enforcement provisions; dealing with the provisions of consultation and standards, so that the Department may have a basis or objective other than that which has been in the act at the present time. These matters are very pertinent to a successful operation of a control act of this character.

Another is in the distribution of export quotas among the eligible or qualified applicants. This problem arises when the total quantity of a commodity which can be spared for export is substantially less than the total of qualified applications therefor. Prorating limited export quotas equally among all applicants is not a practical or equitable solution to this problem. It would result in allotting to each applicant very small amounts, which could not usually be shipped economically. It would also be manifestly unfair to establish firms with long records of supplying a major portion of the markets, to deny them export quotas. So it is necessary to carry out the language in that respect.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. WHITE of Idaho. Is not that the very thing that creates a market and creates prices? If there is competition by these exporters, and one bids above the other, does that not make the price?

Mr. BUCHANAN. Of course, bidding in foreign exchange is different than that insofar as the domestic economy is concerned. I am speaking with reference to large-scale exports.

Mr. WHITE of Idaho. Does not the scheme that the gentleman has outlined operate as a price-fixing control?

Mr. BUCHANAN. In some instances it might get down to that particular point, where it will have some effect upon the price.

Mr. WHITE of Idaho. If we deny one applicant this license, naturally he is eliminated from the market, and his price does not establish the price of the goods.

Mr. BUCHANAN. Of course, as the gentleman understands, the quotas are set and applications are administered in an attempt to be fair and equitable to all concerned.

Mr. WHITE of Idaho. Is the gentleman cognizant of the press reports of the discriminations and frauds that have been practiced under the provisions of this act in the export business?

Mr. BUCHANAN. That is why we are asking for a spelling out of clarifying language as far as the enforcement provisions of the act are concerned. That is why there may be some objections and some amendments, because the administration is concerned to see to it that the provisions are carried out and the end use of the product reaches the destination which it was intended to.

(Mr. BUCHANAN asked and was granted permission to revise and extend his remarks.)

Mr. CAVALCANTE. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. BUCHANAN. I yield.

Mr. CAVALCANTE. May I preface my inquiry by stating that I am in full accord with export control of materials in short supply. I am also in full accord with conferring the power on the President. With this in mind, I am concerned in knowing whether the materials that we are here trying to conserve may not be exported under the power which we some days ago conferred upon the President by the provisions of the so-called Reciprocal Trade Agreements Act?

Mr. BUCHANAN. I may answer the gentleman by saying that there is no direct relationship between the Reciprocal Trade Agreements Act and the Export Control Act. The reciprocal trade agreements are entered into on a bilateral basis. In the case of the enforcement of the Trade Agreements Act, if it concerns goods in scarce supply they would be regulated under the terms and provisions of the Export Control Act. Cognizance is taken of the existing scarce materials at the time these trade agreements are entered into. In this connection it is interesting to note that in the next 2 or 3 months hearings will be held in continuation of previously existing agreements; and of course at that time, at the time of those hearings, at the time of the consultations for further agreements, these items listed on which export controls are necessary will be taken into consideration.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. SIMPSON of Pennsylvania. To the extent that export controls are used, is it not in direct opposition to the intent of the reciprocal trade agreements program which is principally to lessen the barriers to international trade?

Mr. BUCHANAN. No; I may say to the gentleman, it will augment, supplement, and carry through the successful negotiation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. PATMAN. The State Department approved the bill. It will not interfere with the reciprocal trade agreements in any way. We cleared everything through the State Department.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. SPENCE. Mr. Chairman, we have no further requests for time.

Mr. GAMBLE. Mr. Chairman, we have no further requests for time on our side.

The CHAIRMAN. There being no further requests for time, the Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Export Control Act of 1949."

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause and substitute in lieu thereof the following:

"Section 6 (d) of the act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out 'February 28, 1949,' and inserting in lieu thereof 'February 28, 1950.'

"(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by the act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark-ups in export prices over domestic prices."

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman and Members of the House, the purpose of this amendment in striking out all after the enacting clause is to destroy the careful work of the Committee on Banking and Currency in trying to rewrite an old wartime law which has been many, many times amended and changed during the course of years that it was on the books to deal with varied degrees of national emergency and circumstance.

I think the committee did a very good job in bringing out a rewrite of this bill to protect the security and the economy of the United States of America against danger of over exportation of scarce items. It provides a modern version of what is needed in an export control law in the light of postwar experience, based carefully on hearings by the Committee on Banking and Currency and on testimony before us by all interested parties who cared to appear.

The gentleman from Michigan, whose committee under his chairmanship reported a bill designed to effectuate largely the same purposes which this bill seeks to accomplish, does not like the product of this committee's work.

On that he is entitled to have his say, but I think it would be much fairer to the House, it would increase the understanding more of the House, if he would take the bill, as I am sure he intends to do when his amendment this time to strike all after the enacting clause is defeated, and then introduce his separate and individual amendment, to change the specific and individual portions of this bill which he has objection to.

I think the House can vote much clearer upon these specific individual objections of the gentleman from Michigan than we can in taking a wrapped-up package containing six or eight important changes.

I tried to follow during the course of his argument here under general debate the extent of his amendments but I am not certain, even with the experience of the hearings that I have had, that I clearly understand them all.

So, in the interest of good legislative procedure, in the interest of the House being well informed. I think we should vote down this catch-all amendment to strike everything after the enacting clause. We want to enact a bill with due regard to whether it contains the necessary improvements that are dictated by the light of experience and trial and error that I believe this bill provides for.

I do not think anyone can question the value that export controls, properly operated and properly handled in an administrative way, have to the security, and to the economy of the United States.

One of the greatest problems we had when we had the Marshall plan before us was the fear largely by many members of the gentleman's own party that we would ruin this Nation's economy because of unregulated exportation of goods in short supply.

Constantly I have heard on the floor of this House the fears that we will export to Russia or to Communist-dominated countries matériel which would be helpful to them in making war against the democracy of this Nation.

Members of the House, the sole purpose of this bill is to protect the security and economy of the United States of America. It seeks to help make the Marshall plan work in the recovery of Europe without devastating our own economy by exporting materials in short supply. We cannot afford to turn to a haphazard system where the highest bidder can withdraw from our American market goods in extremely scarce supply and remain on an even economic keel.

So until we get greater production and a greater abundance of those scarce materials—and this bill applies only to materials in scarce supply—I think you will need adequate export controls.

I think it would be a shame indeed to waste the time of the great Committee on Banking and Currency and the time of the men who have handled this export control so satisfactorily that there were no witnesses appearing before the committee to challenge their work.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield.

Mr. SIMPSON of Pennsylvania. Does the gentleman state that this bill can apply only to materials in short supply?

Mr. MONRONEY. It certainly does apply to materials only in short supply or to a war-making end use.

Mr. SIMPSON of Pennsylvania. Does the gentleman state that if we have a long supply of any given product in this country the administration cannot impose an export control thereon?

Mr. MONRONEY. It cannot under the terms of this bill. If the gentleman will read the bill, he will find that it is properly guarded in the terms of this bill. No amount of seeing ghosts under the bed, no amount of casting suspicion, can remove the fact that this bill is designed to apply only to items in scarce supply or those which might be useful for war purposes in Communist-dominated countries.

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this bill does give the administration the power, based upon the findings of the President, to impose export quotas not alone upon materials which are necessary to our national defense, not alone upon materials in which we are in short supply, but upon any other exportable commodities or products of our industries, regardless of their nonstrategic importance, and even though in great oversupply.

I have read the bill, and certainly do not accord with the interpretation of the distinguished gentleman from Oklahoma. I find nothing in the bill which puts a limitation upon the findings of the President. Any findings he makes would justify within the terms of this bill export quotas upon any product of our industry.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Michigan.

Mr. WOLCOTT. The gentleman is absolutely correct. There is nothing in the bill which limits the control of exports to goods in short supply. The gentleman from Iowa in committee offered an amendment to the bill restricting the operation of these controls in cases where goods are in surplus. I think probably the gentleman from Oklahoma is confusing the debate on that amendment with the general provisions of this bill, because at no time since 1940 have there been any restrictions whatsoever upon the commodities upon which the President could levy export controls.

Mr. SIMPSON of Pennsylvania. I thank the gentleman. Certainly, it seems to me that in this day of our expanding production at home we should not, 3½ years after the close of the war, grant new and greater powers to the Executive, to control our industries' sales.

Mr. TALLE. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. TALLE. If the law had been administered in such a manner as to prevent the piling up of surpluses of exportable goods in this country, I would not have gone to the trouble of preparing a speech on that very point. The law has not been so administered. That was the burden of my message in general debate, and that is why I stated I would offer an amendment which is identical with an amendment enacted in the Senate. The House bill and the Senate bill are identical, except that the latter contains an amendment which I stated at the outset of general debate I would offer, so that agricultural products including fats and oils, might get proper consideration.

Mr. SIMPSON of Pennsylvania. The gentleman's answer is indeed complete. We do have an exportable surplus of fats and oils, yet the quota is applied today, thereby contradicting the gentleman from Oklahoma's interpretation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. PATMAN. Although fats and oils are taken off the positive list, they remain on the R list, that is, they cannot be exported to Russia or any of her satellite countries without a permit under this law. That is correct, is it not?

Mr. SIMPSON of Pennsylvania. It is. For strategic and military reasons. Last week we saw fit to endorse the activities of our State Department and our Government under the so-called reciprocal trade agreement policy with respect to international trade. The principal purpose of that bill, as it has been described to us repeatedly in years past, has been to break down the barriers to trade that exist between the many nations of the world.

After these 14 or 15 years of so-called progress under the reciprocal-trade-agreement program we find ourselves today in a situation where among all the nations of the world there are more restrictions by way of quotas and all kinds of artificial procedures to limit the free interchange of trade. We have more restrictions today than we ever had when the old tariff laws were in effect.

Now the United States Government, which has been the leader of reciprocity in foreign trade, at a time when the war is over, seeks to impose a new barrier against free trade. We find ourselves passing a law today which gives our Government the power to stop the export of any and all products of our industries to any and all nations of the world. Gentlemen, that is not consistent with what we did last week.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. SIMPSON] has expired.

Mr. SADOWSKI. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it has been stated by the gentleman from Texas that edible oils are now on the R list. The restrictions have been taken off as far as the positive list is concerned. That means that edible oils may be sent to the so-called satellite countries, providing certain conditions are met. Just how does that work? Let us see what happens. Last summer Poland was short of cotton. The Polish mills at Lodz were standing idle for 6 weeks. They could not get American cotton. They had to shop all over the world to get some cotton. We had cotton in great supply. The Polish Nation finally obtained American cotton from England. How? By paying 30 percent more than they should have paid if they could have purchased it directly from us and as they should have been able to purchase that cotton directly, since the cotton was used to make overalls and make clothing for children and the people generally. Oil is going to be placed on the same list. Sure, they will be able to buy it. They will need oil, say, in Czechoslovakia, Poland and Yugoslavia. They are behind the iron curtain. They are satellite countries. These products are on the R list, but before you can get an export license here to get even those things that are in short supply and which are not commodities that would be used in war, those restrictions are so great that it is impossible for you to get them in the normal and natural course of business.

So those countries will just have to go to our European brokers, England, Italy, and Belgium. They will have to go to these European countries. They will have to go to our brokers to buy these commodities. What a silly situation for America to be in. It is repugnant to me to see our business being carried on that sort of basis. I voted for these controls and supported them all the way through during the war. I thought they were necessary. But now the war is over. Sometime we are going to do business on a business basis. Sometime we are going to go out in the world to recapture our own markets and we are not going to be dependent upon England or any other country to say, "You cannot do business with this or that country directly, but I will act as your broker."

I have a great suspicion that somebody is making a lot of money when you have an overage of 30 percent commission that is being paid by these countries in eastern Europe, to buy our goods. Someone is making an awful lot of profit and I think it is an illegitimate profit. I think that business could be carried on directly between the United States and the other countries of Europe which need these commodities.

Let me mention the matter of streptomycin, which is used in the cure of tuberculosis. There is a terrible amount of tuberculosis in Poland which was caused by the war. Poland has seven times as much tuberculosis as they normally have or seven times as great as we have in this country. They need that medicine. I was amazed to find that you must get a permit to ship streptomycin to the people in Poland in order to help them combat the dread disease of tuberculosis.

Some of these restrictions are cruel and inhuman. It is all right to have controls in wartime. It is all right to have controls to protect the national security, but to have such silly controls as we are now permitting the Department to use does not make any sense.

I now yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. The gentleman would not think of sending munitions of war to Russia?

Mr. SADOWSKI. No.

Mr. PATMAN. Cotton is used to make gunpowder. Gunpowder is used in war.

Mr. SADOWSKI. They wanted this cotton to make overalls and to make clothes for the people of Poland to wear. Their textile mills were closed for 6 weeks.

Mr. PATMAN. But they could make gunpowder out of it.

Mr. SADOWSKI. Well, they did get the cotton. They got it from South America, from Argentina, and from Mexico, and they did not make gunpowder with it. I was told that they will keep on buying cotton there, and we can keep on selling our cotton to England and a few ECA countries in the future. That is not good business for the United States and we cannot do business forever on taxpayers' dollars, with ECA countries only. We should be able to sell our cotton wherever we want to, without using Great Britain as our broker, or any other foreign country.

Mr. COLE of Kansas. Will the gentleman yield?

Mr. SADOWSKI. I yield.

Mr. COLE of Kansas. Is not the gentleman pointing out the very difficulties that are attendant on peacetime economy controls?

Mr. SADOWSKI. Yes. I say we should have controls for the national security, but controls over normal business to be used for the purpose of giving an advantage to foreign brokers and speculators as a result of those controls, is un-American. We are subsidizing international thievery and bringing discredit to American business.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. SADOWSKI] has expired.

Mr. HALE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I can well understand the necessity for some export controls at the present time, but it does seem to me that this bill should give us some concern.

I must say I am not altogether clear as to why a bill of this kind emanates from the Committee on Banking and Currency, because it relates primarily to exports. Certainly, I should think that the Committee on Interstate and Foreign Commerce might have something to say about legislation of this kind. I refer to rule XI (K), which gives that committee jurisdiction over foreign commerce generally and over bills relating to the Department of Commerce. The only justification for the reference of this bill appears to be the error in reference to the McCumber bill in 1940.

Last year the Committee on Interstate and Foreign Commerce did hold some hearings on the actual operation of export control legislation. I can assure you that no more interesting hearings were held before that committee or more revealing, or I might say more disturbing. It seems to me quite apparent that export controls can be very abusively and tyranically employed in two ways. First, internally, with respect to individual American exporting corporations, or corporations that would like to export: It is possible for a governmental agent, the Secretary of Commerce, to play favorites in all kinds of most subtle ways, and to do great mischief without any relief being afforded to the injured parties.

It is also perfectly possible to employ export controls to nations which are singularly dependent upon our economy, in such a way as to coerce them to do this, that, or the other thing, even in the General Assembly of the United Nations. I have even heard whispers of something of that sort having occurred.

When you get to such very broad powers as are found in section 6 of this act and section 7, which I do not understand—I do not understand why the provisions of the Administrative Procedure Act should be excepted from this bill—I am very troubled. I would not vote for a bill which had in it any such sections as 6 and 7.

Mr. ELLSWORTH. Mr. Chairman, will the gentleman yield?

Mr. HALE. I yield.

Mr. ELLSWORTH. The gentleman touched upon the subject I was going to mention in asking the gentleman to yield; that is, the provision in this bill which calls for the exemption from these controls of the provisions of the Administrative Procedure Act. With that paragraph in this bill it seems to me that we have done nothing more than give practically an unlimited blanket authority for the control of exports. But if the provisions of the Administrative Procedure Act, as was so clearly brought out in the hearings before the Committee on Interstate and Foreign Commerce, if those provisions were followed, if the Administrative Procedure Act were followed; then, many of the objections that we find to the pending bill might be removed. The paragraph exempting a perfectly good law passed in 1946 completely removes the restrictions from the administration of this particular act.

Mr. HALE. I think the gentleman is entirely correct.

I was quite amazed by the statement earlier this afternoon of the gentleman from Texas [Mr. PATMAN], that he had heard no criticism of the actual operation of the present law. I should be very glad indeed to show him a copy of the hearings last spring before the Committee on Interstate and Foreign Commerce.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HALE. I am glad to yield to the gentleman from Texas.

Mr. PATMAN. Section 6 relates to enforcement. I cannot understand why the gentleman would be opposed to the effective enforcement of the law. This provision deals with black marketeers. If you want a good law and want to abolish the black market and punish the black marketeers, the only way to do it is through the provisions of section 6, according to my mind.

Mr. HALE. If the gentleman thinks that the powers contained in the last sentence of section 6 (a), in subsection (b), and subsection (c) are normal and salutary powers, I just cannot follow him in any degree. On the contrary, they are sections which confer arbitrary and oppressive power on any department, agency, or official exercising functions under the act.

The CHAIRMAN. The time of the gentleman from Maine has expired.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 73, noes 98.

So the amendment was rejected.

The Clerk read as follows:

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and fulfill its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

With the following committee amendment:

Page 2, line 9, strike out the word "fulfill" and insert in lieu thereof "to aid in fulfilling."

The committee amendment was agreed to.

Mr. BROOKS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say a word in reference to the shortage of nitrogenous fertilizers in the southwestern part of the United States. I dare say there is not a Representative from any rural area who does not have similar problems to what confront us in the southwestern part of this country.

Mr. Chairman, during the course of the early winter, I received many appeals from farmers for help in obtaining the customary allocations of nitrogen fertilizers needed on the farm. These appeals came from many sources, but I can recall that one appeal came from the Production and Marketing Administration Committee of the Department of Agriculture. This appeal is so strongly worded that I am setting it forth in detail at this point in my remarks:

DEPARTMENT OF AGRICULTURE,
PRODUCTION AND MARKETING ADMINISTRATION,
Shreveport, La., December 21, 1948.

The Caddo Parish Agricultural Conservation Association Committee at that meeting on December 12, 1948, made the following resolution:

"Whereas the shortage of nitrogen fertilizer in this area is more acute than at any time in the history of this part of the country.

"Whereas in cooperation with Congressman OVERTON BROOKS we have canvassed the distributors and fertilizer manufacturers in this area with reference to the nitrogen fertilizer available: Therefore be it

"Resolved by the Agricultural Conservation Association Committee of Caddo Parish, La., That we ask both public and private manufacturers of fertilizer to increase the supply of nitrogen fertilizer to at least the extent of giving the farmers in this area the supply normally available for crop production and that this fertilizer be made available immediately or in ample time for the spring crop, work on which has already begun."

BEN J. HAYGOOD, Jr.,
County Committeeman.
J. C. WILLIAMS,
County Committeeman.
NORMAN D. STEWART,
County Committeeman.
R. L. DURHAM,
Caddo Parish Administrative Officer.

Some time following this, I received a strong letter from the Caddo Parish police jury signed by T. D. Connell, Jr., making a similar appeal.

With these appeals before me, I immediately took this matter up with the Secretary of Agriculture, asking him for this study of the problem and his assistance. In due course, I received from the Under Secretary of Agriculture, the Honorable A. J. Loveland, a courteous reply. I reproduce this letter herein:

FEBRUARY 3, 1949.

HON. OVERTON BROOKS
House of Representatives.

DEAR MR. BROOKS: This is in reply to your letter of January 28, enclosing a letter from Mr. T. D. Connell, Jr., of Shreveport, La., and a resolution from farmers in Caddo Parish pertaining to supplies of ammonium nitrate in northern Louisiana. We also have your second letter of the same date enclosing a telegram from Lion Oil Co. on the subject.

With respect to steps which might be taken to divert supplies to the area in question, there are no governmental control or directive powers applicable to the domestic distribution of nitrogen fertilizers produced at private commercial plants. Proprietors of these plants have the responsibility for choice of market areas they serve, selection of trade channels, and quantities supplied to their customers.

Under the provisions of Public Law 793, a limited tonnage of anhydrous ammonia produced at plants operated by the Army is being distributed by the Department of Commerce to eligible producers of nitrogen materials for conversion to nitrogenous fertilizers suitable for direct application. This arrangement was effected with a view toward increasing the 1948-49 domestic supply of nitrogen for farmers.

The enclosed press release of the Department of Commerce gives details of this program for the first 3 months of 1949. Among the nitrogen producers participating in the current distribution of the Army ammonia are the Lion Oil Co. at El Dorado, Ark., Commercial Solvents Corp. at Sterlington, La., and Mathieson Chemical Corp. at Lake Charles, La.

Sincerely yours,

A. J. LOVELAND,
Under Secretary.

In due course, I received a telegram from the Lion Oil Co., by N. H. Eason, and I set forth this telegram in detail herein:

ELDORADO, ARK., *January 25, 1949.*

HON. OVERTON BROOKS,
Member of Congress:

Retel our production ammonium nitrate fertilizer 1948–49 curtailed approximately 15 percent under last year and approximately 30 percent under 1946–47. Supplies this material insufficient to satisfy demands throughout the southeastern and southwestern territories. We are making allotments to our customers as fairly and equitably as we know how, considering our reduced production. We regret exceedingly our inability to adequately supply your good constituents.

LION OIL CO.,
N. H. EASON.

It is obvious that this company, which normally supplies north Louisiana with much of its nitrogen fertilizer is not producing the normal amount of ammonium nitrate. According to the telegram, the amount produced is 15 percent under last year and 30 percent under production of 1946–47. I have made similar appeals for more fertilizer for our farmers to the Phillips Fertilizer Co., of Bartlesville, Okla., and to the Spencer Fertilizer Co. The Spencer Co. has apparently withdrawn from serving its normal area in north Louisiana due to the fact that it cannot adequately take care of its customers closer home and my appeal to the Phillips Fertilizer Co. has produced no results.

While I am continuing to work upon this matter, the spring-planting season moves rapidly to an early close. Soon most of the planting will have been completed and the size and type of farm production will have been seriously affected by the failure of an adequate supply of ammonium nitrate fertilizer. I am not unmindful that this country is very short of fertilizers. I, in fact, am informed that the world is short of plant food. I know the problem of the Secretary of Agriculture is not an easy one in this emergency, and I feel that private manufacturers are producing to the limit. But the fact is, Mr. Chairman, a serious shortage exists. In north Louisiana, it is much worse than it was last year.

This bill will soon pass this House and will go to the Senate on its way to become the law of the land. It will give our Government power to control exports of nitrates and thereby make them available for our own people. In this event, the Department of Agriculture and Department of Commerce will have power to help, and I hope will lose no time in helping our farmers solve one of their greatest present problems.

Mr. Chairman, as far as nitrogen fertilizer in the southwest farm country is concerned our farmers are on starvation rations. They need assistance. If this legislation will help prevent the export of fertilizer to foreign countries at a time when we need it so desperately, it could really help our farmers in the southwestern part of the United States.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Chairman, I concur in what the gentleman has said with reference to the shortage of nitrogenous fertilizer, not only in the southwest but throughout the country. The gentleman has referred to the production of nitrogen fertilizer in my own district, in my own home town, as a matter of fact, by the Lion Chemical Co., and indicated that the production of nitrogen has been reduced during the present year by 15 to 30 per cent; but he failed to say that the reason for this reduction in production this year is because there is an expansion program going on at this plant; consequently it is necessary to curtail production until this expansion program is completed. At the end of this year, perhaps in September, this expansion program will be completed and it will then increase production of nitrogen fertilizer by some 35 percent at this plant.

Mr. BROOKS. The gentleman has made a very valuable contribution. I might add, too, that the Lion Oil Co. is doing whatever it can to relieve this situation. As the gentleman has indicated one of the plants of the Lion Oil Co. situated in his district is undergoing extensive repairs and is closed down temporarily.

Mr. HARRIS. Not necessary repairs; it is an expansion program adding to the production of the plant.

Mr. BROOKS. I will accept the suggestion of the gentleman. It also operates a plant in my particular district which is working to capacity, and I think the Lion Co. is doing what it can to relieve the situation. The fact is, however, during this planting season the shortage in ammonium nitrate is most acute.

I have a letter here from the Phillips Chemical Co. of Bartlesville, Okla., in which it indicates it is able to do nothing to relieve this situation either.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(Mr. BROOKS asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to the financing, carriage, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

With the following committee amendment:

Page 2, line 21, strike out "carriage" and insert "transporting."

Mr. WOLCOTT. Mr. Chairman, I offer a substitute for the committee amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. WOLCOTT: Page 2, line 19, after the word "prescribe", strike out the remainder of lines 19, 20, 21, 22, and 23.

The CHAIRMAN. The Chair believes that that is not a proper substitute for the committee amendment. The gentleman may offer that amendment separately.

The question is on the committee amendment.

The committee amendment was agreed to.

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia: Page 3, after line 2, insert the following new subsection:

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Kentucky.

Mr. SPENCE. The committee will accept that amendment.

Mr. TALLE. Will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. TALLE. I followed the reading of the gentleman's amendment as closely as I could when the Clerk read it, and I find that it is identical with the amendment which I proposed in connection with my remarks in general debate and which I stated I would introduce at the proper time. It appears to me, therefore, that there is unanimous agreement and that the Brown-Talle amendment should be agreed to.

Mr. BROWN of Georgia. I thank the gentleman.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. HOEVEN. Do I understand that the committee has accepted the gentleman's amendment?

Mr. BROWN of Georgia. Yes, the amendment I offered. The gentleman from Iowa [Mr. TALLE] stated he expected to offer the same amendment. The gentleman from Iowa [Mr. TALLE] and I fully agree on the amendment.

Mr. HOEVEN. It is the same amendment that was proposed by the gentleman from Iowa [Mr. TALLE].

Mr. BROWN of Georgia. The same amendment as adopted by the Senate.

Mr. HOEVEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. Mr. Chairman, I am pleased to learn that the Committee on Banking and Currency has agreed to accept the amendment just proposed by the gentleman from Georgia [Mr. BROWN]. It is the same amendment heretofore referred to in general debate, which the gentleman from Iowa [Mr. TALLE] was ready to present. No doubt the Banking and Currency Committee agreed to accept the amendment for fear that a failure to do so, might jeopardize the passage of the bill.

The Committee on Agriculture of which the gentleman from Iowa now addressing you is a member, did much to help create the favorable sentiment for the amendment in question. Taking immediate notice of the critical oil and fats situation some weeks ago, the Committee on Agriculture conferred with representatives of the Department of Agriculture, Department of Commerce, the office of Mr. Paul Hoffman, Director of ECA, and the chairman of the Inter-Agency Committee on Fats and Oils. The net result of these conferences was a resolution unanimously adopted by the Committee on Agriculture on February 8, 1949, requesting the Secretary of Commerce to immediately remove all requirements for individual licenses for exportation of edible fats and oils to any approved foreign destination. A few days later the Secretary of Commerce announced that all export controls had been removed on edible fats and oils. I think Members of Congress should know of the important part taken by the Committee on Agriculture in bringing this matter to a successful conclusion.

The farmers of Iowa have been very much concerned over the decline of lard prices, which, of course, reflects on the price of live hogs. The reason for this decline in the price of lard is the supply. The supplies of lard in cold storage on January 1, 1949, were 112,000,000 pounds as compared with a 5-year average of 105,000,000 pounds on that date. Revised Department of Agriculture estimates indicate that we will produce 683,000,000 pounds for this current quarter. Lard is a cheap source of food and is one of the best commodities the Europeans could purchase since they have a good need for animal fats. The farmers of Iowa and the country will be pleased to learn that the critical situation as it involves fats and oils has been somewhat alleviated by the action of the committee taken today in accepting the Brown-Talle amendment to the bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BROWN].

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 2, line 19, after "prescribe." strike out the remainder of line 19 and all of lines 20, 21, 22, and 23.

Mr. WOLCOTT. Mr. Chairman, I ask unanimous consent that the spelling of the word "precribe" in line 19 be corrected.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MULTER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not think the ranking minority member of the Committee on Banking and Currency was serious when he intimated that the majority members of the committee are lustful or seeking power or attempting to vest power where it ought not to be. The purpose of this amendment like that which was rejected a few moments ago is to reject export controls. If you adopt this amendment you might just as well forget about the bill. The present bill is a codification of all of the provisions now existing in various sections of the law applying to export controls. Instead of amending the various bills, we have simply taken, with but one exception, all of that and put it into one law which you now have before you.

The policy is very plainly stated in section 2 and the authority in section 3 says in so many words "to effectuate the purposes" as set forth in section 2, which says "the President may prohibit, and curtail the exportation" of goods.

Then you come to these important words "to the extent necessary to achieve effective enforcement of this act, such rules and regulations may apply to financing, transporting, and other servicing of exports."

If you are not going to have the power to make rules and regulations so that you can enforce this act, then let us not pass it. If we are going to pass it, and I think we are, then we must have rules and regulations which will apply to every phase of exports.

In the hearings before both Houses it was brought out that the purpose of these rules and regulations will be limited to the enforcement of this act and the policy of the act is "to protect the domestic economy," "to further the foreign policy of the country," and, more important, "to exercise the necessary vigilance over exports from the standpoint of their significance to national security."

When Mr. Bell, Acting Director of the Office of International Trade was before our committee, he was asked this question:

Do you not think it might be sufficient at this time to extend these controls, limiting them to security purposes?

Mr. Bell responded:

In our judgment we could not. There are many items in such short supply that we could not do so. In fact, the trend right here in Congress is to insist that we have been too liberal in the shipment of many items, such as steel, and so forth. The complaint has been that we have been too liberal on allocations, and that some things should be on the positive list that are not on the positive list, and there is equal pressure from domestic interests, particularly, to add things to the positive list.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. PATMAN. Is it not a fact that if this language is stricken, it will encourage the black market and encourage black marketeers?

Mr. MULTER. Yes, not only will it do that, but it will make the enforcement of the act utterly impossible. If you cannot call upon the banks to give you information as to how these exports are being financed and as to whether or not the declarations on which they are borrowing money to make the shipment are in accordance with the license, how can you enforce the act? The same with transport and the same with servicing of the exports.

Mr. HAYS of Arkansas. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. HAYS of Arkansas. The gentleman will recall that a specific instance was given to our committee, in which an export license was given for the exporting of empty bottles, and because they were unable to get the letters of credit and find out what the true transaction was, valuable material that was not proper to export was contained in the empty bottles. That is one illustration of how this new provision will be effec-

tive in carrying out the purposes of the act.

Mr. MULTER. I thank the gentleman for that valuable contribution. That is typical of why we need regulations that will apply to the financing, transporting, and servicing of these export items. The Department must be able to get all of the information relative to these transactions.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. COLE of Kansas. With reference to the word "financing," of course we realize that rules and regulations are necessary but it says, "to the financing of exports." Does not the gentleman believe that is a little broad?

Mr. MULTER. It is not broad if you read together with it the beginning of the sentence, which is, "To the extent necessary to achieve effective enforcement of this act the rule may apply to financing."

The CHAIRMAN. The time of the gentleman from New York [Mr. MULTER] has expired.

The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 66, noes 89.

So the amendment was rejected.

The Clerk read as follows:

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department or agency making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provision shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency to carry out the policies of this act.

With the following committee amendment:

Page 3, line 7, strike out the word "or" after the word "department" and after the word "agency" insert "or official."

The committee amendment was agreed to.

Committee amendment: Page 3, line 20, after the word "agency" insert "or official."

The committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 3, line 17, after the word "end", strike out the remainder of line 17 and all of lines 18, 19, 20, and 21.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, our admiration on this side for the gentleman from Michigan is so great that no member of the committee enjoys taking issue with him, but his amendment would do great damage to the bill. I think the thing he has in mind is to knock out price criteria.

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Michigan.

Mr. WOLCOTT. No, I do not, because I have left that in my motion. It is in my motion to substitute.

Mr. HAYS of Arkansas. That is, everything but price criteria?

Mr. WOLCOTT. I have adopted all of those except price criteria and continue existing law.

Mr. HAYS of Arkansas. I am glad to have that clarification, of course, but the gentleman wil recall that in the debate last year it was made very clear that price criteria is a proper element to be considered along with other considerations. The thing I want to point out is that to adopt the language proposed by the gentleman from Michigan is to also knock out other criteria, such as the end use of the exportable commodity, the country of destination and matters of that kind. These two criteria are just as important as price, therefore it would be fatal in many respects for his language to be adopted.

The fact of the matter is that we continue in an emergency. The gentleman from Michigan speaks as if we are adopting a permanent policy of export controls. It is sometimes said on the floor in opposition to such controls that in peacetime controls such as this should not be exerted; in other words, drawing a sharp line between war and peace, when, actually, it is not a matter of war and peace so much as a question of normalcy and emergency. Sometimes in a peace period there are emergencies which require just as drastic controls as in a war period and it is because we are determined to protect this Nation's safety that we are willing to adopt controls of this kind.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. I concur in what my distinguished colleague from Arkansas has said. Further, may I point out that this same paragraph that the gentleman from Michigan is seeking to amend provides for representative trade consultation.

In considering exports and the licensing of scarce materials you find many varying degrees and problems in each different line. If we were to limit the bill as his amendment would do only to those criteria which are spelled out definitely in the bill, then we would absolutely vacate and have for no purpose these trade consultations for which the bill provides.

Industrial help and suggestions in the proper methods and procedures for allocation of export licenses will help to prevent disastrous effects on varying lines of trade. The amendment would seriously limit any effective use of other proper criteria so suggested.

Mr. WOLCOTT. Can they do it now? Can they vitiate the criteria that the gentleman from Oklahoma speaks of now? Can they do it at this time? Of course, they can; therefore this language is not necessary unless they expect to expand it. Those are not standards they are talking about and to which the gentleman from Oklahoma referred. If anything, it is in the law now. They are using the law now in that respect and they can use it in that respect without this language.

Mr. MONRONEY. The gentleman overlooks the fact that this is an entirely rewritten law and we are trying to make it workable and make it say what we mean and provide for criteria such as these various trade organizations suggest.

Mr. HAYS of Arkansas. And the adoption of the gentleman's amendment would put a cloud over the exercise of those criteria.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Texas.

Mr. PATMAN. To demonstrate the necessity for the end-use provision that the gentleman mentioned, may I refer to cotton, which was referred to a while ago. It would be possible to export cotton for the purposes mentioned by the gentleman from Michigan [Mr. SADOWSKI], but unless you have the end-use provision there they could make gunpowder out of that cotton instead of using it for making overalls.

Mr. HAYS of Arkansas. A perfect illustration of the point that you need a combination of criteria at times. Cotton can be put to legitimate uses; it can also be used for the manufacture of things that conflict with our security policy.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kansas.

Mr. COLE of Kansas. It says that there may be applied "such other standards"—in other words, any other standard. That is what we object to. Why do we not limit it to the standards we are talking about, for instance, end-use?

Mr. HAYS of Arkansas. For the reason that we must in the final analysis leave the determination of specific export requests to an administrative agency. We must leave as broad discretion as possible.

Mr. COLE of Kansas. In other words, the gentleman wants to leave it as broad as possible, but we want to restrict it.

Mr. HAYS of Arkansas. We must have powers that are not too broad, but not too limited, as I fear the amendment of the gentleman from Michigan would give us.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. SADOWSKI. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the Committee, just to show how broad the

powers are that the Department now possesses, I want to bring to your attention one little incident. I could mention many more, but I do want to bring this one out because it illustrates positively just how great are the powers of the controlling body now on commerce and trade. They not only control exports to the greatest extent but they also control imports to an unreasonable extent.

There was a firm in Michigan last year which had purchased some obsolete rifles in England. These rifles had been sold by the British Government to some private company in England. They were war surplus, in other words. They were rifles used in the First World War. Now, this firm developed the idea whereby they could use these old rifles, rebore them, and put another sight on them and make some other improvements on this old rifle, and it could be used as a hunting rifle, such as a deer rifle, for instance. It was a splendid idea. They applied for an import license. They located a bunch of these rifles and had made a contract, and the rifles were to be shipped here. All of a sudden the import license was cancelled. The firm wrote to me and asked me to intercede and find out what happened to their import license. So I went down to the Department. They said, "Well, somebody in the War Department has told us that there may be some need for these rifles, and therefore we had to cancel this import license for this firm." Lo and behold, about 4 months later I got a half page ad out of a Detroit paper that was sent to me by this same firm advertising these same rifles as deer rifles, and who do you think had the rifles? Who got them? Sears, Roebuck & Co. Well, the Michigan firm was doggone sore. They had a right to be angry.

Now, some of these manipulations are not just right. These controls just have not been excercised properly. There are so many selfish people in the world, and we have a few of them in this country, who are using these controls to their own particular advantage in order to make a profit for themselves. There is always the suspicion that by making combinations with certain people in our Government they are able to obtain export and import licenses to do business and make money at the expense of other firms. This way of doing business is not the American way, and sooner or later we are going to cut out this foolishness, and we might as well start doing it right now. It was all right to have controls during the war, when we needed it, but when we carry controls on through in peacetime and it affects legitimate business to a point where it becomes repugnant, I say it should be stopped.

I am a member of the Committee on Interstate and Foreign Commerce. I sat on that committee during long hearings last year, and we heard a great deal of testimony from business people all over the United States on exports and imports, and we have seen how these controls have worked. They have not worked right. Always came that question of somebody making a great deal of money at the expense of other people. The sooner we get rid of these controls the better off the business of the Nation will be.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 62, noes 96.

So the amendment was rejected.

Mr. LARCADE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, for the purpose of clarification, I should like to inquire about the provisions of the amendment offered by the gentleman from Georgia [Mr. BROWN] with respect to rice. Rice is a commodity that was formerly controlled under the provisions of existing law. If I may, I will direct my interrogation to the gentleman from Georgia, a member of the committee, sponsor of the amendment, with respect to the question I had in mind. It is not clear just what this amendment that was adopted, sponsored by the gentleman from Georgia, does with respect to rice. I should like to confirm from the sponsor of the amendment, or from some member of the committee, that rice is included under the provisions of the Brown amendment, and therefore will be decontrolled.

Mr. BROWN of Georgia. Rice is an agricultural product. It will have the same status as other agricultural commodities. The amendment refers to agricultural commodities and includes fats and oils.

Mr. LARCADE. The gentleman takes the position that in addition to the authority given under the terms of the act for the decontrol of any commodity this specifically takes rice out of the bill, and rice is decontrolled?

Mr. BROWN of Georgia. I repeat that rice is treated like any other agricultural commodity under my amendment.

Mr. LARCADE. I am trying to get a definite statement from the gentleman.

Mr. BROWN of Georgia. I think that is a definite statement.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Arkansas.

Mr. HARRIS. There is an international agreement on rice, is there not? How would this affect, if at all, the international agreement?

Mr. BROWN of Georgia. The amendment is subject to subsections (b) and (c) of section 2 of the bill, but rice still is treated like any other agricultural commodity.

Mr. HARRIS. I agree with the gentleman in his interpretation. I think he is absolutely correct. But we should not overlook the fact that it is subject to the international agreement, in which the Department of Agriculture participated, and, of course, it has the authority to make this determination.

Mr. BROWN of Georgia. The amendment speaks for itself just as plainly as it can. It is subject to subsections (b) and (c) of section 2.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. LARCADE. I yield to the gentleman from Louisiana.

Mr. WILLIS. Answering the inquiry of the gentleman, I call his attention to the language of the amendment, which, after the decontrolling language, provides "except to the extent required to effectuate the policy stated in clauses (b) and (c) of section 2." Those clauses have to do with foreign policy and national security. Therefore, whereas rice, which I understand to be in surplus, would be decontrolled, it would not be so far as national security and foreign policy are concerned. That is my understanding of the amendment. If the gentleman from Georgia disagrees, I should like him so to state.

Mr. LARCADE. I think this clears the matter up.

Mr. BROWN of Georgia. I think you have the same protection as the others, and I am sure you would not want any more.

Mr. LARCADE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Louisiana [Mr. LARCADE] has expired.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to ask a question with respect to the provision of Section 3 of this bill. I regret I was not able to be here during all of the debate, due to hearings of the Committee on Appropriations. But I would like to know the meaning of the language in Section 3 with respect to the effectuation of policies which reads:

> To the extent necessary to achieve effective enforcement of this act such rules and regulations may apply to the financing, transporting and other servicing of exports and the participation therein by any person.

For a number of years my attention has been called by people in the export field in my Congressional District who have found difficulty in competition with exporters from foreign governments because of their inability to convert exchange in competition with such foreign governments because in the case of some governments they have accepted their exports by agreeing to convert into the currency or exchange of the exporter's country, the currency of the country to which the exports are sent. A concern selling motors, for example, to the European Mediterrean area, for example, is to be paid in pounds sterling within the sterling area. That is all right for the British manufacturer selling motors in that area, but the motor manufacturer in America in my district has opportunities also to sell motors, but he finds he cannot sell in competition with the British manufacturer of motors due to the inability to make the conversion or exchange from pounds sterling into dollars.

In other cases it is found that the exporting country assists the exporter by converting and making good the trade accounts accepted by the exporter in doing business with foreign countries thus giving a further advantage to the foreign exporter as against the American exporter. I wonder whether or not under the broad language contained in this authority a regulation could be issued by the President that would authorize the export-import bank, or some other department of federal finance to discount bills of lading to provide for the exchange of currency, to provide dollars for the American exporter?

Mr. MULTER. Mr. Chairman, will the gentleman yield? I will try to answer his question.

Mr. KEEFE. I shall be very happy to yield. I am seeking information.

Mr. MULTER. I am certain that the rules and regulations that are intended to be promulgated under this section, and which will be promulgated under this section, will lead to the stopping of the kind of complaints that you and I and others have been getting, so that there can be no unfair advantage taken over our merchants because of exchange or by reason of any of the other manipulations that are presently resorted to by some unscrupulous exporters. It is necessary to have permission to make regulations with reference to financing and transporting and servicing only to enforce the act, so that if you call the banks and ask them to reveal to the department what is the story about their exchange, is it going to be against our own merchants, or is it a fair way of exporting these items? They cannot hide behind the foreign exchange, or they cannot send out a declaration which calls for one thing and ship something else.

Mr. KEEFE. I understand that, but that does not answer the question that I have in mind. For example, suppose a British exporter ships manufactured products to an importer in the Mediterranean area, which is a sterling area—

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. KEEFE], has expired.

Mr. KEEFE. Mr. Chairman, I ask unanimous consent to proceed for four additional minutes, in order to get an answer to this question.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KEEFE. That British exporter is doing business with a concern in one of the Mediterranean areas. In certain countries—I do not know whether it is actually true in Britain or not, but in some countries the nation itself, in order to stimulate exports of its own citizens, will guarantee, under certain circumstances, to that exporter that he is going to be paid for the material that he ships; whereas the American exporter, who is going directly into that country, has to carry that account, and due to the operation of exchange problems his funds are actually tied up and he does not get payment for his goods. Payment being guaranteed by the government of the foreign country puts that exporter in that country in a very favorable competitive position. Now it has long been suggested that some agency of government should be set up that could provide dollars to the American exporter and assure him that he is in a competitive position with those foreign countries. I simply want to know, as a matter of information in order that I can intelligently appraise this section, whether it is possible to set up such an arrangement by Government action that would assist the American exporter in promoting his business.

Mr. MULTER. It is not the intent of this bill to regulate finances. This is merely to regulate the enforcement features of the Control Act; not to interfere in any way with the banking situation. That must be a matter of other legislation.

Mr. KEEFE. Then, I think the answer is clear, and I am asking this so that the discussion on the floor, in the interpretation of that clause may be made known, a mere reading of the act itself without the explanation, would not seem to delimit it in the manner in which the gentleman has stated; but I gather from the statement of the gentleman from Michigan, in his opening statement, and on other statements which I have heard, that it is the pure intent and purpose of that language in the bill to enable inquiries into financing in order to carry out the enforcement provisions that are contained in the bill, and to enable the Government agency in charge to police the export trade. Is that right?

Mr. MULTER. The reports of the committees of both Houses so indicate. These are enforcement provisions.

Mr. KEEFE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Wisconsin has again expired.

The Clerk read as follows:

VIOLATIONS

SEC. 5. In case of the violation of any provision of this act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, or agency, exercising any functions under this act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

With the following committee amendments:

Page 4, line 19, after the word "court" insert "of the United States."

Page 5, line 7, strike out the word "or" and after "agency," insert "or official."

The committee amendments were agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 4, line 13, after the word "person" strike out the period and insert the words "applying for an export license."

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan.

Mr. Chairman, this language on page 4, line 13, at the end of the sentence, adding the words "applicant applying for an export license" would restrict the enforcement provisions of this act to the extent I do not believe it could be adequately enforced. In other words, it would prohibit the department enforcing this law from going to the banker and getting the information, because he is not the applicant; it would prohibit the department from going to the steamship company transporting the goods because the steamship company would not be an applicant; it would prohibit the department from going to any person and requiring any testimony except from the applicant himself. And then, of course, when the applicant was confronted with the enforcement authorities he would refuse to testify on the constitutional ground that it might incriminate him. There would, therefore, be no enforcement of any kind whatsoever. We either want a law with enforcement teeth in it, or we do not want any law at all.

Under the administration of this law we have a voluntary agreement now for enforcement. If this voluntary agreement continues a large part of this law will be unnecessary, but if it does not continue and if it breaks down, then this is the shotgun in the corner that will compel enforcement of the act. I submit the gentleman's amendment restricts the language to the extent where the law could not be enforced.

This section is vital. It is an enforcement provision. It is not in existing law. If the amendment is adopted this will cripple the whole bill and put it back to where the existing law is now, which is entirely too weak at the present time.

One of the greatest evils we have had in this country in recent years has been the black market—people who would buy goods and commodities at the fixed price, then go into the black market and sell them at a much higher price, sometimes several times as much. We will have the same kind of black market probably in this export business if it is not Government supervised and if we do not carefully protect against it in the law. I know that is not intended by the gentle-

man from Michigan because he does not want to help any black marketeer, but at the same time it will weaken the law to the extent that the black market will be aided and encouraged and will tend to break down entirely the enforcement of the act.

Mr. Chairman, I hope the amendment is defeated.

Mr. MILLER of Nebraska. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Michigan. I am amazed in looking over the enforcement provisions of this bill to know how far they go. Of course, I can see a general pattern in what the administration wants to do. The administration that has been in power for some 20 years has been enlarging its activities and becoming larger and larger and getting more and more control over the freedoms of the American people. I say to you gentlemen on my right that when the Government becomes so large, larger year by year through the development of bureaus and governmental powers, then you and I and the folks back home will become smaller and smaller. This bill infringes on the rights and liberties of the American people. I question its constitutionality. It goes much further than any Congress adopted during the war.

We are giving entirely too much power to a Government agency, and I think it will amount to sending out a horde of bureaucrats and snoopers over the land to pry into the affairs of the American people. It is a mistake you are making in this bill to vote such wide powers to any agency of government. I do not think the gentleman from Michigan and the Republicans on the left side of the aisle are going to get very far. You are bumping your heads against a stone wall, because orders have apparently come down from on high to increase the powers of the Federal agencies.

In the Byrd report you read that the number of new Federal employees have increased 289 every day this last year. Why, 20 years ago when you came into power there were about 570,000 Federal employees. Today there are over 2,000,000. At that time it cost less than $4,000,000,000 to run the Government of the United States, and today you are asking for a budget of about $42,000,000,000. You had at that time about 350 Federal agencies. Today there are 1,833 Federal agencies, and growing all the time.

I am saying to you who are supporting this administration bill for a larger and bigger and stronger Federal Government, that it will take from you and those you represent many liberties and rights that should be theirs. My position is that the Federal Government should merely be an umpire, guaranteeing fair play. The rewards or failures should go to the individual. The Government is becoming too powerful, all too powerful at this time. Bills are coming to this Congress for a cradle to the grave security. Bills that gives the Federal Government more and more power. I say to you my colleagues that the best government is that which is kept close to home and governs less. I say to you it is time to call a halt on big government, big business, and the authority of government to control the lives of all of us. If we do not we drift to a socialism in which the individual loses both freedom and security.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(Mr. MILLER of Nebraska asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 53, noes 93.

So the amendment was rejected.

Mr. ROGERS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Florida: Page 4, line 23, after the comma following the word "both", strike out the balance of section 6 (a) and insert "after a hearing in which the judge of said district court determines that the books, records, and other writings are material and pertinent to such investigation, and any failure to obey such order of the court may be punished by such court as a contempt thereof."

Mr. ROGERS of Florida. Mr. Chairman, my amendment does only this: It provides that before a contempt order can be issued against any person upon the complaint of the party who is investigating the exports a hearing must be had. Let me give you my interpretation of the bill, and if I am wrong I ask the gentleman from Texas to correct me.

Under the bill, if the investigator approaches any person and says, "I want your books, I want your records, I want every writing you have," and the man says, "It is not pertinent, it is not material, and I do not want you to have it," then the investigator can issue a subpena to him and if he does not comply with the subpena, then, upon the investigator's merely making application to the Federal court, without any hearing, without determining whether or not there is any merit to his contention, or without determining whether the books or writings are material or pertinent, the man can be held in contempt of court.

I think it should not be permitted that a bureaucratic agency of this Government can go into a man's business and, relying solely on its own discretion, take that man before a judge and say, "I need the books," and get an order against him without even a hearing. That is not American.

Let us see what the language is in the bill:

In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, any any failure to obey such order of the court may be punished by such court as a contempt thereof.

My amendment adds "after a hearing in which the judge of said district court determines that the books and records and other writings are material and pertinent to such investigation."

When the court determines that, then they ought to be produced, but a contempt order ought never be issued against the man if the books for which the investigator calls are not pertinent and material. I think the Congress ought to protect the American people, to some extent, at least, from such proceedings and actions as this. But how much more time would it take for this agency to go to a judge, after making the application, and show that the books were material and pertinent? Certainly the man who is being investigated ought to have some hearing before he is held in contempt of court.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield to the gentleman from Texas.

Mr. PATMAN. The provision in this bill requires that in the event a person refuses to obey a subpena the agent must go before a court. That is the provision the gentleman is attempting to amend. Can we not leave it to a United States district judge to determine whether or not this man complained against should have a minute's hearing or an hour's hearing or 2 weeks' hearing? It is up to the judge.

The CHAIRMAN. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to proceed for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida [Mr. ROGERS]?

There was no objection.

Mr. ROGERS of Florida. I would like to ask the gentleman from Texas this question. Is it the purpose of this committee in reporting this bill to say that before an order of contempt is issued, that the party against whom the contempt is issued shall have a hearing as to the materiality?

Mr. PATMAN. It says so in the language of the bill. It says they must appear before a United States court, and that carries with it the authority and jurisdiction of the judge to determine for himself whether he will have a hearing or not.

Mr. ROGERS of Florida. Then why is there any objection to putting this language in the bill if that is the intention of the committee?

You know that any judge, though he be inexperienced, can interpret it that way.

Mr. PATMAN. I believe we must assume that a United States district judge will act as he should act. Why should we help a man who wants to use the district judge just for delaying purposes? You would require it in every case, and every case will not need that.

Mr. ROGERS of Florida. But you only say "upon application." You do not say "a hearing shall be had." If you put the notice hearing in, then I say it is all right. But let us not give these

people that power. You know how some of them act.

Mr. PATMAN. This is only a temporary law.

Mr. ROGERS of Florida. I do not care how temporary it is. We have no right to barter away the right of the American people to be heard before a contempt order is issued against them.

Mr. PATMAN. As the gentleman from Georgia pointed out, you will harm the people that we are attempting to help.

Mr. ROGERS of Florida. I do not think that I am harming a person if I ask that he be given a hearing before a contempt order is issued against him. I do not think that is harming anyone. I hope the Congress will afford Americans an opportunity to be heard before a contempt order is issued against him.

You know how some of these bureaucratic inspectors go out and gather up these records in evidence and then when they act as prosecutor and judge and in every other capacity possible. I think you have to give the American people some rights. This is not an amendment which is contrary to the purposes of the bill. I hope the Congress will adopt this amendment so that we know it is spelled out in black and white and we will know that before a contempt order can be issued, that the man has had a hearing. That is all I want.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Florida. I yield.

Mr. CHURCH. You want a hearing provided for here, otherwise a bureaucrat will go to a man and read these five lines to him and will say to him, "You do not get a hearing, and you had better behave yourself and produce your books."

Mr. ROGERS of Florida. That is possible.

Mr. CHURCH. That bureaucrat will say to him, "You do not get a hearing, sir, and you had better behave."

Mr. ROGERS of Florida. I think that is possible.

Mr. CHURCH. That is the bureaucratic way.

The CHAIRMAN. The time of the gentleman from Florida [Mr. ROGERS] has expired.

Mr. HOBBS. Mr. Chairman, I move to strike out the last word and rise in support of the amendment.

Mr. Chairman, those of us who are supporting this amendment fear that this section seeks to punish contempt of a bureaucrat rather than contempt of court. If there is no hearing, no appearance of the citizen whose books or records are to be examined and produced under compulsion, then how can the judge constitutionally exercise the power to punish for contempt when there is no contempt other than contempt of the bureaucrat who issues the subpena for the books to be produced? It seems to me that the gentleman's amendment particularly, since he says that to write in the word "hearing" is all he wants, is a most reasonable amendment, and necessary to give the section validity. I hope the committee will accept it. Why? The committee should welcome any improving amendment. If you mean what this section says, any district court of the United States "for any district in which such person is found," "upon application"—though by whom is not stated—"shall have jurisdiction to issue an order requiring such person to appear and produce books, records, and other writings," although the case in which the bureaucrat's subpena was issued is pending 3,000 miles away, and the subpena never was served on anyone, and the man "found" in the new State never heard of the case, without specifying what books, records, or other writings, nor whose, nor where. And any failure to obey such order—even if the man "found" never saw it, never was in that court, or knew any such order had been issued, nevertheless, the man could be punished "by such court as a contempt thereof."

Mr. PATMAN. According to Federal Court Rules of Procedure, could not a litigant get that same relief right now? In other words, if he asked for a hearing under Federal procedure, would not the court give him a hearing?

Mr. HOBBS. Not at all. Under this law, as it reads, and if it means what you contend it means, then there can be no harm done by the pending amendment.

Mr. PATMAN. No harm done?

Mr. HOBBS. Not a bit.

Mr. PATMAN. Except that it will just delay the procedure, and that is what most people have objected to.

They do not want any delay in procedure. They want action such as on fats and oils.

The only criticism we have had against the Department was delay in decontrolling fats and oils. If you adopt this amendment it will be delayed longer and longer, whereas, under existing law, it will be up to the judge, and if he believes they are just using him, he can just say, "It is obvious. I am not going to be a party to this black-marketing. I am going to make these fellows bring these books and records in." Otherwise they could have a delaying action, like they have right now in New York, and perishable products would be destroyed.

Mr. HOBBS. I appreciate the explanation of the gentleman, but to my mind it is simply a misconception of the fact. I have seen 18 contempt cases tried in an hour. There is no delay. All that this amendment asks for is that before you send an American citizen to jail for contempt, you give him notice and a hearing on the merits, whereas your law says that a bureaucrat can insist upon the production of books, or records, or other writings, whether they belong to the man in the toils of the bureaucrat, or not, and if the man fails to obey the bureaucrat he goes to jail for contempt, not of the bureaucrat, but of court, without knowledge, notice or hearing.

Mr. PATMAN. No. The gentleman is entirely mistaken.

Mr. HOBBS. Then, if we are mistaken, why does the committee object to inserting those words?

Mr. PATMAN. It says, "when the Department calls upon him to produce information and he refuses," then the Department head must go to the court himself and get an order from the United States District Court himself to produce these books and papers. Then, and then only, can he be cited for contempt. The gentleman evidently has not read this language.

Mr. HOBBS. I beg your pardon. I have read it and I have read it very carefully. You do not provide for any hearing as to the contempt of the bureaucrat or of any court. It is made obligatory upon the court to issue an order without notice or hearing—right or wrong—when there has been no contempt, nor even opportunity for contempt, the victim "may be furnished by such court as a contempt thereof."

Mr. SPENCE. Will the gentleman yield?

Mr. HOBBS. I am delighted to yield.

Mr. SPENCE. The citizen has his rights under the law, and stating it in this act would not have any effect. A court certainly would not send a man to jail without a hearing.

Mr. HOBBS. Your bill says that he could do so, sir.

Mr. SPENCE. If it does that it would be clearly unconstitutional.

Mr. HOBBS. I think so too, and that is the reason I am supporting this amendment.

Mr. SPENCE. There is no intention of that kind in the act. A judge would not send a man to jail for contempt of some other administrative agency. The judge would only send a man to jail for contempt of court. The judge could not try that.

Mr. HOBBS. That is exactly the position that I am taking here.

Mr. SPENCE. That is the position I take, and it is not in this bill.

Mr. HOBBS. It is to save your bill from unconstitutionality that we are supporting this amendment.

The CHAIRMAN. The time of the gentleman from Alabama, [Mr. HOBBS], has expired.

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment.

I desire to point out on page 4, commencing with line 14, the officers are employees of the department enforcing this act, and they would have a right to subpena any person to appear and testify and bring books. Then if he refuses, if the party refuses, then and only then, commencing in line 17 and in line 18, will the department through its officers and agents go into the United States District Court in the district where the person resides, into his home district where he resides, and upon application the judge is not required to do anything. But the judge shall have jurisdiction to issue an order, and we must assume that a United States district judge is going to know what he is doing before he issues any such order; then, if the judge issues the order and the party who resides in the United States district represented by the court refuses to obey the judge, he can be cited for contempt. Is not that the way of enforcing law in the United States? It is the way that ordinary laws are enforced. Why should we make an exception?

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. We all know that if an applicant said he was being abused by the agency that the United States district judge—imagine that the district judge—in fact there is no doubt in my mind that he would take that into consideration.

I yield to the gentleman.

Mr. ROGERS of Florida. Would the gentleman object adding the phrase "after application and hearing"?

Mr. PATMAN. The language of this bill has been carefully considered. Now the gentleman wants to come in here and without consideration add different language to that which has been so carefully written. That is possibly throwing a monkey wrench into the machinery.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. HOBBS. Why, if the gentleman in his own words says that "we must assume" does he, then, object to inserting the assumption?

Mr. PATMAN. Because the judge might know they are just using him for a delaying action and he would not want to be used; therefore he would say "no hearing is necessary in this case"; so we leave it to the United States district judge.

Mr. HOBBS. That is exactly the purpose of the amendment, to leave it up to the judge.

Mr. PATMAN. Mr. Chairman, I ask that the amendment be defeated.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. KEEFE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KEEFE. Has the time on this amendment been limited?

The CHAIRMAN. The time has not been limited.

Mr. KEEFE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Members should read this section very, very carefully. There are a great many lawyers in this House who have had experience in court. What happens under this language ought to be clear to every lawyer in Congress: First, the person whose books and records are sought by an administrative agent of the Government refuses to produce those books at the request of the administrative agent; that agent then goes to a United States district judge and in an ex parte proceeding when the person involved is not present asks that judge for an ex parte order compelling the citizen to produce those books. There is not a lawyer in this Congress who has ever had experience who does not know that such orders are usually signed not only by United States district judges but also by other judges as a pure perfunctory matter. He issues the order in accordance with the language of this legislation directing this citizen to produce those books. Listen to what it states. It states that he "may issue that order upon application."

Not after hearing of the citizen but upon mere application of the administrative officer. After that order has been issued and the citizen still refuses to produce the books and records it states:

> Any failure to obey such order of the court may be punished by such court as a contempt thereof.

After he fails to comply with the ex parte order issued by the court in which he has had no opportunity to be heard, the court may issue a contempt citation and bring him before the court for contempt of the court, and punish him as the law prescribes.

At no place in that procedure is there any opportunity for the citizen to be heard except at the whim or caprice of the Federal judge who may or may not say: "Sir, I am going to let you give an explanation to me before I send you to jail for your contempt of this court." He clearly is in contempt under this law if he fails to comply with the order of the judge that has been issued ex parte.

It would seem to me it is asking only very little to say to the citizen under those circumstances, "You shall be entitled to a hearing before an adjudication of contempt is entered and before punishment is inflicted."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KEEFE. I yield to the gentleman from North Carolina.

Mr. COOLEY. Is it not reasonable to assume, in fact, that the Federal judge would accord the citizen an opportunity to explain why he had in the first instance failed to comply with the order of the administrator?

Mr. KEEFE. My dear sir, I would say I have such a deep and abiding respect for the Federal judiciary as such generally and for the judiciary as such generally, I would think most judges would take that position; however, the situation is well known of flagrant abuses of rights by Federal judges and other judges in matters of this character When he has once issued his order directing the production of those books as an ex parte matter in which the citizen has not been heard, then it would seem to me it is only fair to accept the suggestions of the distinguished gentleman from Florida and the distinguished gentleman from Alabama, who is a very highly respected Member of the House Judiciary Committee, and simply assure the citizen by writing the language in there and giving him assurance which you say we ought to assume so that the citizen will have this protection.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. PATMAN. Mr. Chairman, with the permission of the committee I would like to offer a substitute that on page 4, line 21, after the word "order" there be inserted "after hearing."

Mr. SPENCE. The committee, I am sure, will accept that amendment.

Mr. PATMAN. I will ask the gentleman to withdraw his amendment, with the understanding that the committee will offer an amendment, after the word "order" in line 21, page 4, to read "shall have jurisdiction to issue an order after hearing." In other words, put in the words "after hearing" requiring such person to appear.

Mr. PHILBIN. He could be heard before a member of the district attorney's office. I would suggest "after hearing and notice to the aggrieved party."

Mr. PATMAN. On application after hearing?

Mr. PHILBIN. Hearing and notice to the aggrieved party.

Mr. KEEFE. Surely what the gentleman is seeking to accomplish, as I understand, by his amendment, is to provide for a hearing.

Mr. PATMAN. Before the judge.

Mr. KEEFE. Before the judge?

Mr. PATMAN. That is right.

Mr. KEEFE. At which the aggrieved party or the citizen may have notice of the hearing and the right to appear and be heard. If you simply insert, as suggested by the gentleman from Massachusetts, the words "after hearing" that could be accomplished by merely having the administrative officer come before the judge. That would be a hearing. We want to assure the citizen the right to a hearing.

Mr. PATMAN. The Committee has gotten along so well today, and we want to try to satisfy the people that do not understand what we are trying to do in this provision, and if we can do it by a simple amendment, we would like to do it. I have no objection to putting that in, if it is all right with the Chairman, "after notice and hearing."

Mr. SPENCE. We will accept that.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. What is the purport of the gentleman's amendment at the present time?

Mr. PATMAN. The judge can issue this order only after notice and hearing to the aggrieved person.

Mr. ROGERS of Florida. Would the gentleman mind putting in there, "after notice to the aggrieved party"?

Mr. PATMAN. That is all right.

Mr. ROGERS of Florida. All right, I will accept that.

Mr. PATMAN. Well, it may be involved in that respect. We will not do that.

Mr. COX. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Georgia.

Mr. COX. The amendment offered by the gentleman recognizes the fact that the rights of a citizen should not necessarily rest upon an assumption, no matter how reasonable it might be. I think the amendment that the gentleman has offered meets the objection raised to the original language.

Mr. PATMAN. I offer the amendment which reads, "after notice and hearing."

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Why do you not say, "after notice of hearing to any such person"?

Mr. PATMAN. Well, that would be a little involved there.

Mr. COOLEY. In line 18 you use the language "any such person."

Mr. PATMAN. That is right.

Mr. COOLEY. Then why not put in "after notice of hearing"?

Mr. PATMAN. Does the gentleman mean after the word "application" on line 21, "after notice and hearing to any such person"?

Mr. COOLEY. That is right.

Mr. PATMAN. Now I ask that the amendment be voted on, with the assumption that the gentleman of Florida will withdraw his amendment.

Mr. ROGERS of Florida. Will the gentleman repeat his amendment?

Mr. PATMAN. Yes. After the word "application", in line 21 insert "after notice to any such person and hearing."

Mr. ROGERS of Florida. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. PATMAN. I ask for a vote.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 4, line 21, after the word "application", insert "after notice to any such person and hearing."

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. PATMAN. Mr. Chairman, I offer an amendment that after the comma in line 21 there be inserted these words: "and after notice to any such person and hearing."

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 4, line 21, after the comma insert "and after notice to any such person and hearing."

The amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 5, line 11, after "information" insert a period, and strike out all of lines 12, 13, and 14.

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is obvious at this stage of the game that the devious purpose is to compound confusion here by attempting to quibble about phrases and to delete proposals in the bill, which have been carefully discussed in committee. This amendment would insert a period at the end of line 11 on page 5 and strike out qualifying language which reads "unless the head of such department or agency determines that the withholding thereof is contrary to the national interest."

I believe that that language should stay in because it qualifies the statement and clarifies it. The experience of the Department in carrying out the provisions of the Export Control Act since its enactment in 1940 and its continuance in 1947 indicates that language of this character is essential.

I do not think that we should concern ourselves too much about a phrase of this sort. I ask that this amendment be voted down and that the language be permitted to remain as is.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BROWN of Georgia. I want to compliment the distinguished gentleman from Michigan [Mr. WOLCOTT] for the remarks he made on this same bill in a speech on December 15, 1947, when he so eloquently said, and I now want to read what he said:

We have likewise exended export controls in such manner that the President may be given broad authority, broad discretion as to this second reason why we have high prices and inflation. This second reason is the unusually heavy demand of foreign countries for American goods which are in short supply. The President is authorized under this bill so to adjust our exports as to safeguard and stabilize the American economy. We have given the power in this bill to start the job which has got to be done if we are going to have economic stability and lower prices in the United States.

Mr. BUCHANAN. Mr. Chairman, I thank the gentleman for his contribution in referring to the remarks of the then chairman of the Committee on Banking and Currency in December 1947 when an extension of this particular section of Public Law 395 involving export controls was up for consideration.

Mr. Chairman, I ask that this section remain as is and ask that the amendment be voted down.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT.]

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 85, noes 101.

So the amendment was rejected.

The Clerk read as follows:

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

Mr. ELLSWORTH. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ELLSWORTH: page 5, line 15, strike out all of section 7.

Mr. ELLSWORTH. Mr. Chairman, in 1946 we passed an excellent piece of legislation, which has proven its worth time and time again since its enactment. The law to which I refer is known as the Administrative Procedure Act of 1946, which requires administrative agencies to give notice, hold hearings, and give due publication to any rules, orders, or regulations promulgated by such agencies.

I can see no reason why the Congress, after enacting a very fine piece of legislation of that kind, which has proven its worth through years of operation, should today enact a law exempting an agency typical in all respects of the agencies which the Administrative Procedure Act was supposed to cover.

I feel that is particularly strange in view of some of the debate we have heard today. It seems to me there are many features of the bill now before us which take us farther down the road toward government by whim and caprice rather than government by law.

I call attention to the fact that the Administrative Procedure Act would only require the Office of International Trade to hear and take testimony from and consult with the various people with whom they deal, various private individuals in our country. The bill attempts to do that very same thing, and all in the world we would do by eliminating section 7 would be to further clarify the language which appears on page 3 and which authorizes "utilization of private competitive trade channels insofar as practicable, giving consideration to the interests of small business." The Administrative Procedure Act, referred to in section 7, not only gives consideration to business people, small and large, but sets up the procedure as to how that consideration is to be given. I think that is a practical principle that has been written out in the law. It can and should be applied to the Office of International Trade the same as any other agency, so that the small merchant and everybody else can know just how he is going to be treated. Otherwise this bill is a wide-open blank-check authority, of the type which would even make the rubber-stamp days of the New Deal look conservative.

All I suggest is that the section which would exempt the Office of International Trade from the Administrative Procedure Act, be eliminated from the bill, and let the law now on the books apply. That does not in any way hamper or hamstring or cripple or defeat the purposes of this bill. It has nothing to do with the intent of the proposed legislation. It merely replaces the possibility of whim and caprice with orderly procedure, as previously spelled out by this Congress.

I would suggest, although I feel certain I will get little support for the idea, that the committee give serious consideration to accepting this amendment for the reasons I have stated, and because the Administrative Procedure Act does give the common citizen some needed protection.

(Mr. ELLSWORTH asked and was granted permission to revise and extend his remarks.)

Mr. SPENCE. Mr. Chairman, I rise to oppose the amendment. The provision suspends certain sections of the Administrative Procedures Act as far as this bill is concerned. All the temporary bills heretofore have had it. The Price Control Act, the Veterans' Emergency Housing Act—all of the temporary legislation has that provision. It is a standard provision in temporary legislation, and it is written into this act.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. PATMAN. I desire to call the gentleman's attention to the Senate report on this bill, on page 6, wherein, in referring to this amendment, it says:

This is in accord with the policy expressed in section 2 of the Administrative Procedure Act itself. Other temporary regulatory activities authorized since that act have been granted comparable exemption. Examples of such are contained in the Sugar Control Exemption, and the Housing and Rent Act of 1947, the Veterans' Emergency Housing Program, and the War Housing Insurance Act.

Mr. SPENCE. Section 3 of the Administrative Procedure Act is applicable to the act, and that requires the publication of all the rules and regulations in the Federal Register.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was rejected.

The Clerk read as follows:

QUARTERLY REPORT

SEC. 8. The head of any department or agency, exercising any functions under this act shall make a quarterly report within 45 days after each quarter to the President and to the Congress of his operations hereunder.

With the following committee amendment:

Page 5, line 21, after "agency", insert the words "or official."

The amendment was agreed to.

The Clerk read as follows:

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations regulations, orders, licenses, or other forms of administrative action under said section 6 of the act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this act.

With the following committee amendment:

Page 6, line 17, before the word "regulations", insert the word "rules."

The committee amendment was agreed to.

The Clerk read as follows:

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 6, line 3, strike out "1951" and insert in lieu thereof "1950."

[Mr. WOLCOTT addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. MONRONEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this apparently is the last of a deluge of amendments that have been attempted to be placed on a bill which I think most of the Members who sat through the hearings regarded as rather noncontroversial.

We have had more bogeymen raised to scare the Congress in connection with a program that has been operating for a great many years, particularly in protecting our national economy and security against the overexport of scarce materials, then I have ever heard raised on the floor of this House.

The pending amendment would seek to reduce the time by 1 year on these export controls which under the bill will go for 28 months.

Mr. Chairman, export controls are a very vital arm of the Marshall plan or the European recovery program. You cannot operate the Marshall plan without export controls. If you want to sabotage the European recovery program which will run for several more years, just extend these controls for 1 year or 16 months, and you will cast a serious doubt on the success of the recovery program.

What has been the record of these export controls? They started out with more than 3,000 items under control. We are down to slightly over 300 at this time. Does that sound like a bureaucracy which is continually grasping and trying to expand its hold on the American economy or destroy the standards of American business or to put the farmers out of business or the little manufacturers out of business? Of course not.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. No. I have not the time.

Mr. TABER. I have a factory that closed up on account of these controls.

Mr. MONRONEY. This agency has attempted to decontrol wherever possible and not extend their coverage and are certainly not expanding their power.

One point has been overlooked in this extension of time. If you extend it only for a short period of time—because these are export controls and the export control business must be done about 6 months in advance of the shipment of these goods; it is not an instantaneous process like local domestic sales—then you are actually going to end this program, in reality, 6 months before the termination date provided for in the act.

Congress can, under this bill, by concurrent resolution—and it is a process that has been put in many bills that have gone through the House—terminate export controls at an earlier date. Now, the law has never been satisfactorily settled whether it requires a Presidential signature or not, but it is the feeling of the members that it does not require a Presidential signature, so the will of a bare majority of this Congress can be respected.

This program has safeguarded the economy of this country, and has stopped the shipment of high-octane gasoline, steel, and other vital war potential supplies to Russia itself.

You relied on this act at that time when you stopped the ships in the California harbors from taking high-octane gasoline to Russia. Without this act, exporters can ship anything excepting actual munitions to any country behind the iron curtain. No screening can be done of these exports—nor no question raised as to their intended use—if this act is killed.

I believe we can extend this act to protect this Nation's safety for 2 years' time, and you will find that with the program under which we are safeguarding American economy and security we will be better off.

I hope the amendment is defeated.

Mr. NICHOLSON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Oklahoma is about right. There was not much controversy before the committee. But at the same time, Mr. Chairman, we could have used the same law that we had from 1940 up to the present time. Somebody, evidently, wanted a little more power. So, they stuck a few of these little provisions in the bill, and that is why we have been talking all the afternoon. Regardless of what anybody might say, we are giving too much power to the Federal Government. I heard a gentleman here yesterday say what they did for New England, or what would happen if we needed something. Well, let me say for New England, and especially Massachusetts, that if the Federal Government, and the bureaus that are running the Federal Government, will stay out of Massachusetts, we will be just about ten or fifteen times better off.

Mr. Chairman, I think that the exchairman of the Committee on Banking and Currency has made a fair proposition in asking that this only go into effect for a year, or a year and a couple of months, because the Department of Commerce has already decontrolled about 90 percent of the exports that they had when this thing started. So, there are only about 10 percent left. And, if they will let the people of the country produce and keep producing, you will not need that.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

The question is on the amendment offered by the gentleman from Michigan [Mr. WOLCOTT].

The question was taken; and on a division (demanded by Mr. WOLCOTT) there were—ayes 97, noes 118.

So the amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HUBER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee,

having had under consideration the bill (H. R. 1661) to provide for continuation of authority for the regulation of exports, and for other purposes, pursuant to House Resolution 97, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. WOLCOTT. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. WOLCOTT. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. WOLCOTT moves to recommit the bill to the Committee on Banking and Currency with instructions to report the same back forthwith with the following amendment in the nature of a substitute: Strike out all after the enacting clause and substitute in lieu thereof the following:

"SECTION 1. (a) Section 6 (d) of the Act of July 2, 1940 (54 Stat. 714), as amended, is amended by striking out 'February 28, 1949' and inserting in lieu thereof 'February 28, 1950'.

"(b) Notwithstanding any other provision of law, the President in the exercise of the powers, authority, and discretion conferred upon him by such act of July 2, 1940, as amended, is authorized to use price criteria in the licensing of exports, either by giving preference among otherwise comparable applications to those which provide for the lowest prices, or, in exceptional circumstances, by fixing reasonable mark ups in export prices over domestic prices.

"(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof."

Mr. SPENCE. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. WOLCOTT. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 139, nays 222, not voting 72, as follows:

[Roll No. 17]

YEAS—139

Allen, Calif.	Barrett, Wyo.	Brehm
Allen, Ill.	Bates, Mass.	Brown, Ohio
Andersen, H. Carl	Beall	Burdick
	Bishop	Byrnes, Wis.
Anderson, Calif.	Blackney	Canfield
Angell	Boggs, Del.	Case, N. J.
Arends	Bolton, Ohio	Case, S. Dak.
Auchincloss	Bramblett	Chiperfield
Church	Hope	Pfeiffer, William L.
Clevenger	Horan	Phillips, Calif.
Cole, Kans.	Hull	Poulson
Cole, N. Y.	James	Reed, Ill.
Corbett	Jenison	Reed, N. Y.
Cotton	Jensen	Rees
Dague	Johnson	Rich
Davis, Wis.	Kean	Riehlman
D'Ewart	Kearney	Rogers, Mass.
Dolliver	Kearns	Sadlak
Eaton	Keating	Sadowski
Ellsworth	Keefe	St. George
Elston	Kilburn	Sanborn
Engel, Mich.	Kunkel	Scrivner
Fenton	LeCompte	Scudder
Ford	LeFevre	Shafer
Gamble	Lemke	Short
Gavin	Lichtenwalter	Simpson, Ill.
Gillette	Lodge	Simpson, Pa.
Golden	Lovre	Smith, Kans.
Goodwin	McConnell	Smith, Wis.
Graham	McCulloch	Stefan
Gross	McDonough	Stockman
Gwinn	McGregor	Taber
Hagen	McMillen, Ill	Talle
Hale	Mack, Wash.	Tollefson
Hall, Edwin Arthur	Martin, Iowa	Van Zandt
	Martin, Mass.	Velde
Hall, Leonard W.	Merrow	Vorys
	Meyer	Vursell
Halleck	Michener	Wadsworth
Hand	Miller, Md.	Werdel
Harden	Miller, Nebr.	Wigglesworth
Harvey	Morton	Wilson, Ind.
Herter	Murray, Wis.	Withrow
Heselton	Nelson	Wolcott
Hill	Nicholson	Wolverton
Hinshaw	Nixon	Woodruff
Hoeven	O'Konski	
Holmes	Patterson	

NAYS—222

Abernethy	Durham	Lind
Addonizio	Eberharter	Lucas
Albert	Elliott	Lyle
Andrews	Engle, Calif.	McCarthy
Aspinall	Evins	McCormack
Barden	Fallon	McGrath
Baring	Feighan	McGuire
Barrett, Pa.	Fernandez	McKinnon
Bates, Ky.	Fisher	McSweeney
Battle	Fogarty	Mack, Ill.
Beckworth	Forand	Madden
Biemiller	Frazier	Magee
Bland	Fugate	Mahon
Blatnik	Garmatz	Mansfield
Bloom	Gary	Marcantonio
Boggs, La.	Gathings	Marsalis
Bolling	Gilmer	Marshall
Bolton, Md.	Gordon	Miller, Calif.
Bonner	Gore	Mills
Bosone	Gorski, Ill.	Mitchell
Boykin	Gorski, N. Y.	Monroney
Brooks	Gossett	Morgan
Brown, Ga.	Granahan	Morris
Bryson	Granger	Morrison
Buchanan	Grant	Moulder
Buckley, Ill.	Green	Multer
Burleson	Gregory	Murdock
Burnside	Hardy	Murray, Tenn.
Burton	Hare	Noland
Camp	Harris	Norrell
Cannon	Harrison	Norton
Carlyle	Hart	O'Brien, Ill.
Carnahan	Havenner	O'Brien, Mich.
Carroll	Hays, Ark.	O'Hara, Ill.
Cavalcante	Hays, Ohio	O'Sullivan
Chatham	Hébert	Pace
Chelf	Hedrick	Passman
Chesney	Herlong	Patman
Chudoff	Hobbs	Patten
Coffey	Holifield	Perkins
Colmer	Howell	Peterson
Combs	Huber	Philbin
Cooley	Jackson, Wash.	Pickett
Cooper	Javits	Poage
Cox	Jones, Ala.	Polk
Crook	Jones, Mo.	Preston
Crosser	Jones, N. C.	Price
Davenport	Karst	Priest
Davies, N. Y.	Karsten	Rabaut
Davis, Ga.	Kee	Rains
Davis, Tenn.	Kennedy	Ramsay
Dawson	Kerr	Rankin
Deane	Kilday	Redden
Delaney	King	Regan
Denton	Kirwan	Rhodes
Dollinger	Kruse	Ribicoff
Donohue	Lane	Richards
Doughton	Lanham	Rivers
Douglas	Larcade	Rodino
Doyle	Lesinski	Rogers, Fla.
Rooney	Tackett	White, Idaho
Sabath	Tauriello	Whitten
Sasscer	Teague	Whittington
Secrest	Thomas, Tex.	Williams
Sims	Thompson	Willis
Smathers	Thornberry	Wilson, Okla.
Smith, Va.	Trimble	Wilson, Tex.
Spence	Underwood	Winstead
Staggers	Wagner	Wood
Stanley	Walsh	Woodhouse
Steed	Welch, Calif.	Worley
Stigler	Welch, Mo.	Yates
Sullivan	Wheeler	Young
Sutton	White, Calif.	Zablocki

NOT VOTING—72

Abbitt	Fulton	O'Neill
Allen, La.	Furcolo	O'Toole
Andresen, August H.	Heffernan	Pfeifer, Joseph L.
	Hoffman, Ill.	Phillips, Tenn.
Bailey	Hoffman, Mich.	Plumley
Bennett, Fla.	Irving	Potter
Bennett, Mich.	Jackson, Calif.	Powell
Bentsen	Jacobs	Quinn
Breen	Jenkins	Scott, Hardie
Buckley, N. Y.	Jennings	Scott, Hugh D., Jr.
Bulwinkle	Jonas	
Burke	Judd	Sheppard
Byrne, N. Y.	Kelley	Sikes
Celler	Keogh	Smith, Ohio
Christopher	Klein	Somers
Clemente	Latham	Taylor
Coudert	Linehan	Thomas, N. J.
Crawford	Lynch	Towe
Cunningham	McMillan, S. C.	Vinson
Curtis	Macy	Walter
DeGraffenried	Mason	Weichel
Dingell	Miles	Whitaker
Dondero	Murphy	Wickersham
Fellows	Norblad	Wier
Flood	O'Hara, Minn.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Latham for, with Mr. Clemente against.

Mr. Dondero for, with Mr. Judd against.

Mr. Fellows for, with Mr. Vinson against.

Mr. August H. Andresen for, with Mr. Dingell against.

Mr. O'Hara of Minnesota for, with Mr. Kenney against.

Mr. Crawford for, with Mr. Klein against.

Mr. Hugh D. Scott, Jr., for, with Mr. Murphy against.

Mr. Cunningham for, with Mr. deGraffenried against.

Mr. Towe for, with Mr. McMillan of South Carolina against.

Mr. Coudert for, Mr. Keogh against.

Mr. Plumley for, with Mr. Walter against.

Mr. Hardie Scott for, with Mr. Sikes against.

Mr. Taylor for, with Mr. Furcolo against.

Mr. Jenkins for, with Mr. Bailey against.

Mr. Macy for, with Mr. Quinn against.

Mr. Hoffman of Michigan for, with Mr. Sheppard against.

Mr. Potter for, with Mr. Jacobs against.

Mr. Bennett of Michigan for, with Mr. Irving against.

Mr. Hoffman of Illinois for, with Mr. Celler against.

Mr. Jonas for, with Mr. Burke against.

Mr. Jackson of California for, with Mr. Wier against.

Mr. Norblad for, with Mr. Heffernan against.

General pairs until further notice:

Mr. Bentsen with Mr. Smith of Ohio.

Mr. Bennett of Florida with Mr. Mason.

Mr. Flood with Mr. Fulton.

Mr. Linehan with Mr. Jennings.

Mr. Whitaker with Mr. Weichel.

Mr. Wickersham with Mr. Curtis.

Mr. Abbitt with Mr. Phillips of Tennessee.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 259, nays 102, not voting 72, as follows:

[Roll No. 18]

YEAS—259

Abernethy	Golden	Murray, Tenn.
Addonizio	Gordon	Nixon
Albert	Gore	Noland
Andrews	Gorski, Ill.	Norrell
Aspinall	Gorski, N. Y.	Norton
Auchincloss	Gossett	O'Brien, Ill.
Barden	Granahan	O'Brien, Mich.
Baring	Granger	O'Hara, Ill.
Barrett, Pa.	Grant	O'Sullivan
Bates, Ky.	Green	Pace
Battle	Gregory	Passman
Beckworth	Gross	Patman
Biemiller	Hardy	Patten
Blackney	Hare	Perkins
Bland	Harris	Peterson
Blatnik	Harrison	Pfeiffer,
Bloom	Hart	William L.
Boggs, La.	Havenner	Philbin
Bolling	Hays, Ark.	Pickett
Bolton, Md.	Hays, Ohio	Poage
Bolton, Ohio	Hébert	Polk
Bonner	Hedrick	Preston
Bosone	Herlong	Price
Boykin	Herter	Priest
Brooks	Hobbs	Rabaut
Brown, Ga.	Holifield	Rains
Bryson	Holmes	Ramsay
Buchanan	Howell	Rankin
Buckley, Ill.	Huber	Redden
Burdick	Hull	Regan
Burke	Irving	Rhodes
Burleson	Jackson, Wash.	Ribicoff
Burnside	Jacobs	Richards
Burton	Javits	Riehlman
Camp	Johnson	Rivers
Canfield	Jones, Ala.	Rodino
Cannon	Jones, Mo.	Rogers, Fla.
Carlyle	Jones, N. C.	Rooney
Carnahan	Karst	Sabath
Case, N. J.	Karsten	Sasscer
Cavalcante	Kearney	Secrest
Chatham	Keating	Sheppard
Chelf	Kee	Sims
Chesney	Kennedy	Smathers
Chudoff	Kerr	Smith, Va.
Coffey	Kilday	Spence
Cole, N. Y.	King	Staggers
Colmer	Kirwan	Stanley
Combs	Kruse	Steed
Cooley	Lane	Stigler
Cooper	Larcade	Sullivan
Corbett	Lesinski	Sutton
Cox	Lind	Tackett
Crook	Lodge	Talle
Crosser	Lovre	Tauriello
Davenport	Lucas	Teague
Davies, N. Y.	Lyle	Thomas, Tex.
Davis, Ga.	McCarthy	Thompson
Davis, Tenn.	McCormack	Thornberry
Davis, Wis.	McGrath	Tollefson
Dawson	McGregor	Trimble
Deane	McGuire	Underwood
Delaney	McKinnon	Van Zandt
Denton	McMillen, Ill.	Velde
Dollinger	McSweeney	Wagner
Dolliver	Mack, Ill.	Walsh
Donohue	Mack, Wash.	Welch, Calif.
Doughton	Madden	Welch, Mo.
Douglas	Magee	Wheeler
Doyle	Mahon	White, Calif.
Durham	Mansfield	Whitten
Eberharter	Marcantonio	Whittington
Elliott	Marsalis	Wier
Engle, Calif.	Merrow	Williams
Evins	Meyer	Willis
Fallon	Michener	Wilson, Okla.
Feighan	Miller, Calif.	Wilson, Tex.
Fernandez	Mills	Winstead
Fisher	Mitchell	Withrow
Fogarty	Monroney	Wolverton
Forand	Morgan	Wood
Frazier	Morris	Woodhouse
Fugate	Morrison	Worley
Garmatz	Morton	Yates
Gary	Moulder	Young
Gathings	Multer	Zablocki
Gilmer	Murdock	

NAYS—102

Allen, Calif.	Angell	Bishop
Allen, Ill.	Arends	Boggs, Del.
Andersen, H. Carl	Barrett, Wyo.	Bramblett
Anderson, Calif.	Bates, Mass.	Brehm
	Beall	Brown, Ohio
Byrnes, Wis.	Heselton	Plumley
Chiperfield	Hill	Poulson
Church	Hinshaw	Reed, Ill.
Clevenger	Hoeven	Reed, N. Y.
Cole, Kans.	Hope	Rees
Cotton	Horan	Rich
Dague	James	Rogers, Mass.
D'Ewart	Jenison	Sadlak
Eaton	Jensen	Sadowski
Ellsworth	Kean	St. George
Elston	Kearns	Sanborn
Engel, Mich.	Keefe	Scrivner
Fenton	Kilburn	Scudder
Ford	Kunkel	Short
Gamble	LeCompte	Simpson, Ill.
Gavin	LeFevre	Simpson, Pa.
Gillette	Lemke	Smith, Kans.
Goodwin	McConnell	Smith, Wis.
Graham	McCulloch	Stefan
Gwinn	McDonough	Stockman
Hagen	Martin, Iowa	Taber
Hale	Martin, Mass.	Vorys
Hall, Edwin Arthur	Miller, Md.	Vursell
	Miller, Nebr.	Wadsworth
Hall, Leonard W.	Murray, Wis.	Werdel
	Nelson	White, Idaho
Halleck	Nicholson	Wigglesworth
Hand	O'Konski	Wilson, Ind.
Harden	Patterson	Wolcott
Harvey	Phillips, Calif.	Woodruff

NOT VOTING—72

Abbitt	Flood	Norblad
Allen, La.	Fulton	O'Hara, Minn.
Andresen, August H.	Furcolo	O'Neill
	Heffernan	O'Toole
Bailey	Hoffman, Ill.	Pfeifer, Joseph L.
Bennett, Fla.	Hoffman, Mich.	Phillips, Tenn.
Bennett, Mich.	Jackson, Calif.	Potter
Bentsen	Jenkins	Powell
Breen	Jennings	Quinn
Buckley, N. Y.	Jonas	Scott, Hardie
Bulwinkle	Judd	Scott, Hugh D., Jr.
Byrne, N. Y.	Kelley	
Carroll	Keogh	Shafer
Case, S. Dak.	Klein	Sikes
Celler	Lanham	Smith, Ohio
Christopher	Latham	Somers
Clemente	Lichtenwalter	Taylor
Coudert	Linehan	Thomas, N. J.
Crawford	Lynch	Towe
Cunningham	McMillan, S. C.	Vinson
Curtis	Macy	Walter
DeGraffenried	Marshall	Weichel
Dingell	Mason	Whitaker
Dondero	Miles	Wickersham
Fellows	Murphy	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Clemente for, with Mr. Latham against.

Mr. Lichtenwalter for, with Mr. Dondero against.

Mr. Judd for, with Mr. Towe against.

Mr. McMillan of South Carolina for, with Mr. Hugh D. Scott, Jr., against.

Mr. DeGraffenried for, with Mr. Shafer against.

Mr. Sikes for, with Mr. August H. Andresen against.

Mr. Quinn for, with Mr. Macy against.

Mr. Furcolo for, with Mr. O'Hara of Minnesota against.

Mr. Klein for, with Mr. Hardie Scott, against.

Mr. Carroll for, with Mr. Taylor against.

Mr. Lynch for, with Mr. Fellows against.

Mr. Vinson for, with Mr. Coudert against.

Mr. Keogh for, with Mr. Hoffman of Michigan against.

Mr. Walter for, with Mr. Cunningham against.

Mr. Joseph L. Pfeifer for, with Mr. Hoffman of Illinois against.

Mr. Kelley for, with Mr. Jonas against.

Mr. Celler for, with Mr. Jenkins against.

Mr. Murphy for, with Mr. Crawford against.

Mr. Bailey for, with Mr. Norblad against.

Mr. Heffernan for, with Mr. Potter against.

Mr. Buckley of New York for, with Mr. Jackson of California against.

Additional general pairs:

Mr. Abbitt with Mr. Bennett of Michigan.

Mr. Dingell with Mr. Curtis.

Mr. Flood with Mr. Mason.

Mr. Whitaker with Mr. Phillips of Tennessee.

Mr. Linehan with Mr. Smith of Ohio.

Mr. Bentsen with Mr. Weichel.

Mr. Bennett of Florida with Mr. Jennings.

Mr. Wickersham with Mr. Fulton.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 548) to provide for continuation of authority for the regulation of exports, and for other purposes, a similar bill to the one just passed by the House.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Export Control Act of 1949."

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

DECLARATION OF POLICY

SEC. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scare materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

SEC. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this act to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the requirements of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive depar-

ments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such deprtment or agency, or official to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides in or transacts business, upon application, shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency, or official exercising any functions under this act shall make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This act shall take effect February 28, 1949, upon the expiration of section 6 of the act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Mr. SPENCE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SPENCE: Page 5, line 6, after the comma insert the following: "and after notice to any such person and hearing."

Mr. SPENCE. Mr. Speaker, this makes the Senate bill identical with the one just passed.

The SPEAKER. The question is on the amendment offered by the gentleman from Kentucky.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Without objection, the proceedings by which the bill, H. R. 1661, was passed will be vacated and the bill laid upon the table.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2402. An act to extend the Office of the War Assets Administrator and the War Assets Administration from February 28, 1949, until June 30, 1949.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 51. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The message also announced that the Vice President has appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the joint select committe on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers in the following departments and agencies:

1. Department of the Army.
2. Department of the Air Force.
3. Departments of the Army and the Air Force.
4. Department of Commerce.
5. Department of the Interior.
6. Department of State.
7. Department of the Treasury.
8. Civil Service Commission.
9. Federal Security Agency.
10. National Archives.
11. Tennessee Valley Authority.
12. Veterans' Administration.

COMMITTEE ON PUBLIC LANDS

Mr. MADDEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 66 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That the Committee on Public Lands (now comprised of the six former Committees on Insular Affairs, Territories, Public Lands, Irrigation and Reclamation, Mines and Mining, and Indian Affairs) may make investigations into any matter within its jurisdiction. For the purpose of making such investigations the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within or outside the United States, whether the House is in session, has recessed, or has adjourned, to hold such hearings, and to require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member.

The resolution was agreed to.

A motion to reconsider was laid on the table.

MARITIME COMMISSION

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 92) to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. HAND. Mr. Speaker, reserving the right to object, and I shall not object, I would like to have the gentleman explain very briefly the resolution he has offered.

Mr. BLAND. The resolution carries into effect the right to charter and operate vessels until June 30, 1949. It was agreed to by all of the members of the committee.

Mr. HAND. Mr. Speaker, further reserving the right to object, I would like to say that the minority have directed

me to say that they are in wholehearted accord with the chairman of the committee and the members of the committee on this bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, further reserving the right to object, is it the purpose of the gentleman to bring in new legislation before the 4 months expire, or does he think this will wind it up?

Mr. BLAND. We are considering a bill now, but we thought it needed to be considered a little further in the light of changing conditions.

Mr. MARTIN of Massachusetts. The gentleman does not think then that we could wind this operation up in 4 months?

Mr. BLAND. No, not now.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the resolution as follows:

Resolved, etc., That (a) the joint resolution entitled "Joint resolution to continue until March 1, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes", approved February 27, 1948 (Public Law 423, Eightieth Congress), is amended by striking out the date "March 1, 1949" wherever it appears therein and inserting in lieu thereof the date "March 1, 1950." That joint resolution is further amended by inserting at the end of subparagraph (b) thereof the words ": *Provided, however,* That vessels may be chartered to the Republic of the Philippines, or citizens thereof, for use in the interisland commerce of the Philippines in accordance with section 306 of the Philippine Rehabilitation Act of April 30, 1946 (60 Stat. 137; U. S. C., 1946 ed., title 50, sec. 1786)."

With the following committee amendment:

Page 1, line 9, strike out "March 1, 1950" and insert "June 30, 1949."

The committee amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 102 was laid on the table.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, Congress enacted the Foreign Assistance Act of 1948, which contained in section 111 (a) a provision that—

The Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as practicable, that, at least 50 percent of the gross tonnage of commodities procured within the United States out of funds made available under this title and transported abroad on ocean vessels is so transported on United States flag vessels to the extent such vessels are available at market rates.

In passing this act we believed that Congress intended that at least 50 percent of such traffic should be transported on United States vessels at market rates for United States vessels. The sponsors of this provision in both the Senate and House have stated that such was their understanding, and we believe that this was the understanding of a very large majority of the Members of Congress when they voted its approval. Last autumn the ECA Administrator announced that, based upon the opinion of the general counsel of the ECA, he proposed to interpret this provision so as to limit it with respect to bulk cargoes to instances where United States flagships are available at world-wide competitive tramp rates.

When Congress enacted the Foreign Assistance Act of 1948, it had before it large amounts of dependable data concerning the higher operating costs of American ships.

The Administrator has expressed the desire that Congress should clarify the provision referred to so that there might be no question as to his administering the act in accordance with the desires of Congress and that he is in no manner exceeding his authority thereunder. There is pending before the Merchant Marine Committee of Congress a bill—H. R. 1340—which in our opinion amply clarifies the congressional intent and will. Hearings have been held on that bill, but it is being considered further by the committee and will require additional time for complete consideration and report.

We believe that the Administrator was also motivated by a desire to administer the act in a more efficient and economical manner, and a very substantial amount of misunderstanding has arisen concerning the financial effect of the higher ocean freight rates paid to American ships. Some differences of interpretation exist, and the committee feels that more careful consideration is required to write into law clarification that will carry out the intent of Congress, and provide that efficient and economical administration, that is wished by all concerned with this problem.

We suggest that the right of American shipping to participate in the carriage of these cargoes to the extent of at least 50 percent thereof is the minimum consideration which can be afforded this important industry. To suggest that this industry should perform these services at a rate level comparable with low-wage foreign competition would be a great injustice. We hear no suggestion that the producers of other commodities should be required to adjust similarly their prices. Every other industry supplying commodities or services is receiving their full American price. This includes wheat at the guarantied Government price level, coal, and freight charges to the railroads to bring these commodities to seaboard. Until other industries supplying commodities or services to the ECA program reduce their prices to approximately foreign production cost levels, we see no justification for this discrimination against American shipping.

It is unnecessary to point out the importance of the American merchant marine to transport our commerce to and from our national defenses.

Attention should be called to a statement by the chairman of the Senate Committee on Commerce who recently pointed out the inconsistency of expending appropriately $15,000,000,000 per year upon national defense while at the same time, under the contention of a minor economy, opposing or weakening one of the very important elements of national defense, the American merchant marine.

We submit that the participation of United States ships in the European recovery program is no more an additional subsidy to American shipping than the higher American cost paid to other American industries for commodities or services over and above the price level therefor at a European or world market level based upon the use of cheap labor and low living standards. Unless such a philosophy is adopted as to all other American industries furnishing commodities to the ECA program, we very strongly protest against such discriminatory treatment of United States ships and the creation of a false public impression that an American industry, rather than the Marshall-plan nations is the recipient of substantial portions of the funds appropriated for European recovery.

At the time of a meeting which representatives of the United States Maritime Commission, the United States Senate, our committee of Congress and other interested parties had with the ECA Administrator, he indicated to those present that because of world conditions he would withhold his order for probably another 60 days after February 1, and it is vitally important to act quickly, before another order comes out of ECA.

Senator MAGNUSON said it was thought in the Senate that the provision of the ECA bill was clear but that 50 percent was too little, and that it should have been 75 or 80 percent, but that it was a compromise then.

Correlated with the same problem of clarification involved in H. R. 1340, for which there is pending a similar proposal in the Senate, there is need to extend the time for chartering ships.

It is necessary to increase American ships available to carry the goods, for if no American ships were available foreign rates would increase to a rate about equal to American rates today, if there were no American ships available to compete for part of the business.

Testimony before the committee was to the effect that the American merchant marine could carry more of the cargoes, but it was somewhat agreed that if we could get 50 percent participation we would be content. We said that we would be content if we got 50 percent of all the cargoes financed by Government aid programs in both directions.

The Administrator for ECA announced in a letter to Hon. STYLES BRIDGES, chairman, Joint Committee on Foreign Economic Cooperation, that not later than January 1, 1949, he would no longer require that 50 percent of the ECA bulk cargoes be required to be carried in United States flag ships unless such ships are available at competitive rates.

on Agriculture and Forestry, and printed, as requested by the Senator from South Carolina, and without objection, the statement will be printed in the RECORD.

The statement ordered to be printed in the RECORD is as follows:

STATEMENT BY SENATOR MAYBANK

EXPLANATION OF PROPOSED AMENDMENT TO SECTION 4 (C) OF THE COMMODITY CREDIT CORPORATION CHARTER ACT (PUBLIC LAW 806, 80TH CONG., APPROVED JUNE 29, 1948)

In addition to clarifying language which would make it clear that the exclusive original jurisdiction of the Federal district courts over suits by or against the Corporation is without regard to the amount in controversy, the proposed amendment makes the following changes in section 4 (c) of the Commodity Credit Corporation Charter Act:

1. It provides that suits against the United States as real party in interest, based upon a claim against the Corporation, may also be brought in the Court of Claims, and that no suit against the United States as such real party in interest may be brought in a district court unless such suit might, without regard to the provisions of the Commodity Credit Corporation Charter Act, be brought in such court. This would change the present provisions of section 4 (c) which vests exclusive jurisdiction over such suits in the Federal district courts.

2. The proposed amendment also changes the time within which suits may be brought on claims by or against the Corporation from 4 years to 6 years in order to make the period uniform with the statute of limitations generally applicable to claims against the Government. It also incorporates the change proposed in S. 900 respecting the right to set off any claim which would otherwise be barred, if the claim had not been barred prior to the date that the plaintiff's cause of action arose. I understand an explanation of the proposed change accompanied S. 900.

HOUSE BILL PLACED ON CALENDAR

The bill (H. R. 54) to retrocede to the State of New Mexico exclusive jurisdiction held by the United States over lands within the boundaries of the Los Alamos project of the United States Atomic Energy Commission, was read twice by its title, and ordered to be placed on the calendar.

ADDRESS BY SENATOR IVES BEFORE MICHIGAN REPUBLICAN STATE CONVENTION

[Mr. VANDENBERG asked and obtained leave to have printed in the RECORD an address entitled "The Republican Opposition," delivered by Senator IVES before the Michigan Republican State Convention in Grand Rapids, Mich., on February 19, 1949, which appears in the Appendix.]

LINCOLN DAY ADDRESS AT COLORADO SPRINGS BY SENATOR MARTIN

[Mr. SALTONSTALL asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator MARTIN at a Lincoln's Birthday celebration held under the auspices of the Colorado Republican State Central Committee at Colorado Springs, Colo., on February 10, 1949, which appears in the Appendix.]

LINCOLN DAY ADDRESS AT OKLAHOMA CITY BY SENATOR MARTIN

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD a Lincoln Day address delivered by Senator MARTIN before the Oklahoma Republican State Central Committee, at Oklahoma City, Okla., on February 11, 1949, which appears in the Appendix.]

GOOD HIGHWAYS PROMOTERS OF GOOD WILL—ADDRESS BY SENATOR CHAVEZ

[Mr. ANDERSON asked and obtained leave to have printed in the RECORD an address entitled "Good Highways Promoters of Good Will," delivered by Senator CHAVEZ before the American Road Builders Association Conference and forty-sixth annual meeting in Washington, D. C., on February 9, 1949, which appears in the Appendix.]

THE STRUGGLE FOR HEBREW LIBERATION—ADDRESS BY SENATOR GILLETTE

[Mr. MAGNUSON asked and obtained leave to have printed in the RECORD an address delivered by Senator GILLETTE in New York City on February 13, 1949, on the occasion of the departure of Mr. Peter Bergson and Mr. Samuel Merlin to take their seats as elected representatives of the Hebrew people in the Constituent Assembly of Israel, which appears in the Appendix.]

ADDRESS BY HAROLD E. STASSEN BEFORE PENNSYLVANIA SOCIETY

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by Harold E. Stassen at the fiftieth anniversary dinner of the Pennsylvania Society at the Waldorf-Astoria Hotel in New York City on December 11, 1948, which appears in the Appendix.]

MISSOURI BASIN POWER PROGRAM—ADDRESS BY HON. WILLIAM P. WARNE

[Mr. BUTLER asked and obtained leave to have printed in the RECORD an address entitled "Missouri Basin Power Program," delivered by Hon. William P. Warne, Assistant Secretary of the Interior, before the Nebraska Reclamation Association annual meeeting at Lincoln, Nebr., on February 10, 1949, which appears in the Appendix.]

HISTORIC SITES AND BUILDINGS—ADDRESS BY DAVID E. FINLEY

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an address delivered by David E. Finley, Director of the National Gallery of Art, at the annual meeting of the National Council for Historic Sites and Buildings, at Washington, D. C., on November 4, 1948, which appears in the Appendix.]

AMERICAN TEACHERS AND THE AMERICAN CONGRESS—ARTICLE BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an article entitled "American Teachers and the American Congress," written by him, and published in the Wisconsin Journal of Education, which appears in the Appendix.]

SUPPORT PRICE FOR MILK—STATEMENT BY SENATOR HUMPHREY

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a statement made by him before the Committee on Agriculture of the House of Representatives on February 10, 1949, which appears in the Appendix.]

THE CIVIL RIGHTS PROGRAM—LETTER BY SENATOR HUMPHREY TO NEW YORK TIMES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD a letter dated February 15, 1949, addressed by him to the editor of the New York Times, which appears in the Appendix.]

CONSOLIDATION OF STATE AGENCIES TO SAVE FEDERAL FUNDS

[Mr. WITHERS asked and obtained leave to have printed in the RECORD a letter from Hon. Earle C. Clements, Governor of Kentucky, and a telegram from Frank Bane, executive director, Council of State Governments, dealing with the consolidation of State agencies to save Federal funds, which appear in the Appendix.]

RELATIONS WITH SPAIN—ADDRESS AND LETTER BY DR. JOSEPH F. THORNING

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address delivered by Dr. Joseph F. Thorning regarding relations with Spain, and a letter from Dr. Thorning on the same subject, which appear in the Appendix.]

OUR SPANISH POLICY—LETTER FROM DR. JOSEPH F. THORNING

[Mr. O'CONOR asked and obtained leave to have printed in the RECORD a letter published in the Washington Evening Star of October 30, 1949, from Dr. Joseph F. Thorning, associate editor of the Americas and World Affairs, which appears in the Appendix.]

RELIGIOUS PRESSURE ON TRIAL OF JOSEF CARDINAL MINDSZENTY

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD a letter from O. K. Webb, pastor of the Rutledge Avenue Baptist Church, of Charleston, S. C., together with an article entitled "Baptist Ministers Here Attack 'Religious Pressure' on Trial," published in the Charleston (S. C.) News & Courier of February 15, 1949, which appear in the Appendix.]

COMMUNISM—EDITORIAL FROM THE NEW YORK ENQUIRER

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "Advice for Americans," from the New York Enquirer, which appears in the Appendix.]

THE ATOM BOMB—EDITORIAL FROM THE BRIDGEPORT TELEGRAM

[Mr. McMAHON asked and obtained leave to have printed in the RECORD an editorial entitled "A Momentous Decision," from the Bridgeport Telegram of February 7, 1949, which appears in the Appendix.]

FOREIGN POLICY—EDITORIAL FROM GRAND FORKS (N. DAK.) HERALD

[Mr. LANGER asked and obtained leave to have printed in the RECORD an editorial entitled "Must Still Guess on Foreign Policy," published in the Grand Forks (N. Dak.) Herald of February 15, 1949, which appears in the Appendix.]

MIGRATORY BIRD AND GAME TREATY WITH MEXICO—EDITORIAL FROM COLUMBIA (MO.) DAILY TRIBUNE

[Mr. KEM asked and obtained leave to have printed in the RECORD an editorial entitled "The Kem Resolution on Ducks," published in the Columbia (Mo.) Daily Tribune of February 7, 1949, which appears in the Appendix.]

FEDERAL GOVERNMENT STRUCTURE IN RELATION TO STATE AND LOCAL GOVERNMENTS—EDITORIAL FROM CLEVELAND PLAIN DEALER

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an editorial entitled "Time for Good, Hard Look," published in the Cleveland Plain Dealer of February 15, 1949, which appears in the Appendix.]

THE ECONOMIC SITUATION—EDITORIAL FROM KANSAS CITY STAR

[Mr. SCHOEPPEL asked and obtained leave to have printed in the RECORD an editorial entitled "Time To Stop, Look, Listen," pub-

lished in the Kansas City Star of February 6, 1949, which appears in the Appendix.]

CONTINUATION OF AUTHORITY FOR THE REGULATION OF EXPORTS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 548) to provide for continuation of authority for the regulation of exports, and for other purposes, which was, on page 5, line 6, after "application," to insert "and after notice to any such person and hearing."

Mr. SALTONSTALL. Mr. President, will the Senator from South Carolina, for the information of the Senate, merely state what the amendment is?

Mr. MAYBANK. Yes; it requires notice and hearings on an application by the Department of Commerce to enforce a subpena, but does not affect the power of the court to enforce a subpena.

Mr. SALTONSTALL. It does not in any way change the substantive matter of the bill?

Mr. MAYBANK. No; it does not. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

FEDERAL AID TO CERTAIN SCHOOL DISTRICTS

Mr. MAGNUSON. Mr. President, in connection with Senate bill 834, to authorize Federal aid to school districts overburdened with war-incurred or defense-incurred school enrollments for the construction of additional school facilities, which I introduced last week in company with several other Senators, I send to the desk and ask unanimous consent that there be printed in the body of the RECORD a statement by me pertaining thereto, together with a report by FWA on its survey of emergency school construction requirements for areas affected by Federal agency activity. Last week this report was submitted by FWA to the chairmen of Senate and House Committees on Public Works. I submit the report in full so the Senators from each of the 39 States affected may have an opportunity to study the bill and relate its provisions to the situation in their own States.

There being no objection, the statement and report were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON ON S. 834, A BILL TO ASSIST SCHOOL DISTRICTS IN BUILDING CONSTRUCTION—DISTRICTS WHICH ARE OVERBURDENED BY FEDERAL ACTIVITIES IN THEIR AREAS

Mr. MAGNUSON. Our responsibility to our school children make it imperative to recognize that the Federal Government itself is burdening many of them with handicaps.

The burden is inadvertent. That does not make it lighter. Despite the Federal Government's many efforts to help children, it happens, ironically, that in 38 States, we are doing the reverse.

This is the problem: Federal activities in these areas have boomed school enrollment, and that enrollment has boomeranged. It has hit the school districts concerned and left them dazed.

On Monday, February 7, I introduced a bill which, if enacted by the Congress, will give urgently needed assistance to school districts overburdened by Federal activities in their immediate area. The bill proposes that the Congress appropriate $150,000,000 to help these schools meet their building requirements. Approximately 400 school districts in 39 States of the Union, the Territory of Alaska, and the District of Columbia are involved. The building problem these schools confront has been either seriously aggravated or actually created by Federal activity in the district. In each case the Federal Government has a clear-cut responsibility.

Senators KERR, CHAVEZ, DOWNEY, TAYLOR, MORSE, MCFARLAND, HILL, and MCCLELLAN are cosponsors of S. 834. Together we submitted this proposal as an equitable method of discharging Federal responsibility to the districts involved.

Generally speaking, Federal activity in these school districts has operated in two ways, to create a Federal responsibility. I can best illustrate by using two examples in the State of Washington. The Moses Lake school district is located in the heart of the Columbia Basin. One of the largest structures in the basin development is being built in that district. In addition the Moses Lake Army Airfield has been reactivated. As a result of this Federal activity, the enrollment in this school has jumped from an average daily attendance of 176 in 1941 to an average daily attendance of over 800 in 1948.

To provide classroom space for these additional students, a number of shacks have been moved on to the school grounds. These shacks are precisely what the wording implies—frame buildings of the cheapest, flimsiest construction, with facilities of the most primitive character. The district cannot meet the problem out of its own resources. Already it is bonded to the limit and has exhausted its statutory tax assessments. The problem in this case is created by the tremendous increase in enrollment—a direct result of Federal activity in the area.

The second type of problem is illustrated by the situation the Bainbridge Island school district confronts. The total property valuation in this district is approximately $7,000,000. The Federal Government holds, on a tax-free basis, property amounting to over $5,000,000. This leaves the district a tax base of less than one-third of the property within its boundaries. Here, too, the district has made a maximum effort to meet the problem. It has bonded itself to the limit and, through special levies, has exhausted its tax revenue potential. One of the grade school buildings still in use is over 50 years old. It is completely antiquated, is a fire trap, and represents a real hazard to both children and teachers. The State of Washington is doing everything possible within its current revenues to assist Bainbridge Island. The combined effort, however, of State and district falls about 40 percent short of the total funds required to bring school buildings up to a bare minimum standard.

In the State of California there are 86 schools confronting similar problems, in Texas, 38; in Michigan, 24; in Pennsylvania, 23; in Georgia, 15; in Arkansas, 14; in Virginia, 12; and in Arizona, 11. In my own State there are 34 school districts which find themselves in the predicament I have just described.

Our bill, S. 834, proposes to meet the problem in the following way. The Federal Works Administrattor is authorized to make a Federal grant up to 50 percent of the estimated cost of the school facilities needed to bring the 395 schools up to a minimum standard. The Administrator is authorized to cooperate with State and district authorities in determining the building program required. In the event the school district has exhausted its entire bonding and tax potential, and has no cash or income available to meet its 50 percent of the cost, the Administrator is permitted to advance the entire amount required. He is then authorized to enter into a leasing agreement with the school district, calling for a payment by the district of 2 percent per year. This payment will continue until the district has paid its full 50 percent. At that time the Administrator is authorized to give the district a quit claim deed to the facilities. Thus all districts are placed on an equal basis—each will pay at least 50 percent of the total cost of buildings and facilities constructed under the program.

In conclusion I want to explain the origin of the $150,000,000 authorization provided in S. 834. On June 14, 1948, the chairman of the subcommittee of House Public Works requested the Federal Works Administrator to conduct a Nation-wide survey of schools drastically affected by Federal activity in their districts.

During the summer and fall of 1948, FWA conducted such a survey and determined there are 395 schools in the United States and its territories where Federal activities have created serious problems. The Administrator then computed the total cost of building programs to bring these schools up to a bare minimum standard. He then determined the total amount the 395 schools can reasonably be expected to produce from their own sources of income. Too, he computed the percentage of the total cost properly assessable to Federal activity. Out of the actual survey and the computations, I have just described, comes the $150,000,000 figure in our bill.

BUREAU OF COMMUNITY FACILITIES, FEDERAL WORKS AGENCY—SURVEY OF EMERGENCY SCHOOL CONSTRUCTION REQUIREMENTS FOR AREAS AFFECTED BY FEDERAL AGENCY ACTIVITIES

During the last session of Congress there was considerable discussion of the serious school construction problem faced by many localities throughout the United States, and particular emphasis was placed on those areas where the problem was doubly complicated because of activities of the Federal Government. Hearings were held on several bills designed to offer aid for school construction to such federally impacted communities, but none were passed. On June 14 Chairman J. HARRY MCGREGOR of the Subcommittee on Buildings and Grounds wrote to General Fleming indicating that it was the wish of the Committee on Public Works that a survey be made of emergency needs relative to construction of school facilities in areas where such circumstances are brought about by the influx of population caused by activities of our Federal departments. The letter concludes: "It is our hope, in the event such an emergency exists, that general legislation can be enacted during the next session of the Congress." This report is based on the survey requested by the Public Works Committee and, in the opinion of the Federal Works Agency, clearly indicates a situation to exist which merits the closest attention of the Congress.

As a first step in instituting the survey, the Central Office of the Bureau of Community Facilities (FWA) conferred with the United States Office of Education (FSA); this agency was most helpful and wrote to all State Departments of Education, asking their support and help for the field investigations to be carried out by the division and district engineers of the Bureau. Working together with the educational authorities, the bureau's field staff was able to establish a list of areas where Federal activities were known to have placed a heavy burden on local-school systems. Each of these school districts was then

[Public Law 11—81st Congress]

[Chapter 11—1st Session]

[S. 548]

AN ACT

To provide for continuation of authority for the regulation of exports, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Export Control Act of 1949".

FINDINGS

(a) Certain materials continue in short supply at home and abroad so that the quantity of United States exports and their distribution among importing countries affect the welfare of the domestic economy and have an important bearing upon the fulfillment of the foreign policy of the United States.

(b) The unrestricted export of materials without regard to their potential military significance may affect the national security.

DECLARATION OF POLICY

Sec. 2. The Congress hereby declares that it is the policy of the United States to use export controls to the extent necessary (a) to protect the domestic economy from the excessive drain of scarce materials and to reduce the inflationary impact of abnormal foreign demand; (b) to further the foreign policy of the United States and to aid in fulfilling its international responsibilities; and (c) to exercise the necessary vigilance over exports from the standpoint of their significance to the national security.

AUTHORITY

Sec. 3. (a) To effectuate the policies set forth in section 2 hereof, the President may prohibit or curtail the exportation from the United States, its Territories, and possessions, of any articles, materials, or supplies, including technical data, except under such rules and regulations as he shall prescribe. To the extent necessary to achieve effective enforcement of this Act, such rules and regulations may apply to the financing, transporting, and other servicing of exports and the participation therein by any person.

(b) The President may delegate the power, authority, and discretion conferred upon him by this Act to such departments, agencies, or officials of the Government as he may deem appropriate.

(c) The authority conferred by this section shall not be exercised with respect to any agricultural commodity, including fats and oils, during any period for which the supply of such commodity is determined by the Secretary of Agriculture to be in excess of the require-

ments of the domestic economy, except to the extent required to effectuate the policies set forth in clause (b) or clause (c) of section 2 hereof.

CONSULTATION AND STANDARDS

SEC. 4. (a) In determining which articles, materials, or supplies shall be controlled hereunder, and in determining the extent to which exports thereof shall be limited, any department, agency, or official making these determinations shall seek information and advice from the several executive departments and independent agencies concerned with aspects of our domestic and foreign policies and operations having an important bearing on exports.

(b) In authorizing exports, full utilization of private competitive trade channels shall be encouraged insofar as practicable, giving consideration to the interests of small business, merchant exporters as well as producers, and established and new exporters, and provisions shall be made for representative trade consultation to that end. In addition, there may be applied such other standards or criteria as may be deemed necessary by the head of such department or agency, or official to carry out the policies of this Act.

VIOLATIONS

SEC. 5. In case of the violation of any provision of this Act or any regulation, order, or license issued hereunder, such violator or violators, upon conviction, shall be punished by a fine of not more than $10,000 or by imprisonment for not more than one year, or by both such fine and imprisonment.

ENFORCEMENT

SEC. 6. (a) To the extent necessary or appropriate to the enforcement of this Act, the head of any department or agency exercising any functions hereunder (and officers or employees of such department or agency specifically designated by the head thereof) may make such investigations and obtain such information from, require such reports or the keeping of such records by, make such inspection of the books, records, and other writings, premises, or property of, and take the sworn testimony of, any person. In addition, such officers or employees may administer oaths or affirmations, and may by subpena require any person to appear and testify or to appear and produce books, records, and other writings, or both, and in case of contumacy by, or refusal to obey a subpena issued to, any such person, the district court of the United States for any district in which such person is found or resides or transacts business, upon application, and after notice to any such person and hearing shall have jurisdiction to issue an order requiring such person to appear and give testimony or to appear and produce books, records, and other writings, or both, and any failure to obey such order of the court may be punished by such court as a contempt thereof.

(b) No person shall be excused from complying with any requirements under this section because of his privilege against self-incrimination, but the immunity provisions of the Compulsory Testimony Act of February 11, 1893 (27 Stat. 443), shall apply with respect to any individual who specifically claims such privilege.

(c) No department, agency, or official exercising any functions under this Act shall publish or disclose information obtained hereunder which is deemed confidential or with reference to which a request for confidential treatment is made by the person furnishing such information unless the head of such department or agency determines that the withholding thereof is contrary to the national interest.

EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT

SEC. 7. The functions exercised under this Act shall be excluded from the operation of the Administrative Procedure Act (60 Stat. 237), except as to the requirements of section 3 thereof.

QUARTERLY REPORT

SEC. 8. The head of any department or agency, or official exercising any functions under this Act shall make a quarterly report, within forty-five days after each quarter, to the President and to the Congress of his operations hereunder.

DEFINITION

SEC. 9. The term "person" as used herein shall include the singular and the plural and any individual, partnership, corporation, or other form of association, including any government or agency thereof.

EFFECT ON OTHER ACTS

SEC. 10. The Act of February 15, 1936 (49 Stat. 1140), relating to the licensing of exports of tin-plate scrap, is hereby superseded; but nothing contained in this Act shall be construed to modify, repeal, supersede, or otherwise affect the provisions of any other laws authorizing control over exports of any commodity.

EFFECTIVE DATE

SEC. 11. This Act shall take effect February 28, 1949, upon the expiration of section 6 of the Act of July 2, 1940 (54 Stat. 714), as amended. All outstanding delegations, rules, regulations, orders, licenses, or other forms of administrative action under said section 6 of the Act of July 2, 1940, shall, until amended or revoked, remain in full force and effect, the same as if promulgated under this Act.

TERMINATION DATE

SEC. 12. The authority granted herein shall terminate on June 30, 1951, or upon any prior date which the Congress by concurrent resolution or the President may designate.

Approved February 26, 1949.